



Daily Report

China

FBIS-CHI-91-097
Monday
20 May 1991

Daily Report

China

FBIS-CHI-91-097

CONTENTS

20 May 1991

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Middle East Peace Process Examined	1
President Bush Optimistic [XINHUA]	1
Baker's Return Noted [XINHUA]	1
Diplomatic Efforts Viewed [XINHUA]	2
Israeli Policy 'Obstacle' [Hong Kong TA KUNG PAO 18 May]	3
U.S. Moves Contemplated [ZHONGGUO QINGNIAN BAO 3 May]	4

United States & Canada

Pending Decision on MFN Status Discussed	5
Business Group's Stance Noted [XINHUA]	5
Trade Expert Views Situation [CHINA DAILY 19 May]	5
Administration Policy Reviewed [Hong Kong WEN WEI PO 20 May]	6
U.S., Western 'Human Rights Diplomacy' Assailed [Hong Kong WEN WEI PO 19 May]	8

Soviet Union

Continued Reportage on Jiang Zemin's Visit	10
Visit to Auto Factory [XINHUA]	10
Entourage Meets Counterparts [XINHUA]	11
Jiang Speaks at Kremlin [RENMIN RIBAO 18 May]	11
On New International Order [XINHUA]	16
Satisfied With Progress [XINHUA]	16
Holds News Conference [XINHUA]	17
Discusses Soviet-Japanese Ties [XINHUA]	17
Stresses Independent Policy [XINHUA]	17
Says Trip Goals Fulfilled [ZHONGGUO XINWEN SHE]	18
Lauds Relations [XINHUA]	18
Discusses Border Negotiations [XINHUA]	18
Soviet TV Carries Speech [RENMIN RIBAO 19 May]	19
Wraps Up Moscow Segment [XINHUA]	20
Arrives in Leningrad [XINHUA]	20
Meets Leningrad's Sobchak [XINHUA]	20
Further on Leningrad Meetings [XINHUA]	21
Local Officials Host Dinner [XINHUA]	21
Visit Termed 'Success' [XINHUA]	22
Joint Communique Issued [XINHUA]	22
'Identical Views' Documented [XINHUA]	25
Communique on New World Order [XINHUA]	26
Visit Reviewed [XINHUA]	26
Thanks Gorbachev for 'Hospitality' [XINHUA]	27
Soviet Official Cited [XINHUA]	27
Jiang Returns Home [XINHUA]	27
Paper Hails 'Achievements' [GUOJI SHANGBAO 25 April]	27

NATIONAL AFFAIRS

Political & Social

Li Peng Interviewed on Human Rights in Tibet [RENMIN RIBAO OVERSEAS EDITION 20 May]	29
Officials Arrive for Tibetan Celebrations	30
Li Tieying Leads Delegation [XINHUA]	30
Ngapoi Ngawang Jigme Arrives [Lhasa TV]	31
Panchen Lama TV Program Marks Tibet 'Liberation' [XINHUA]	31
Li Peng Meets Conferees on Handling Complaints [XINHUA]	31
Yang Shangkun, Chen Yun Send Wreaths to Funeral [XINHUA]	32
Wang Zhen, Others Attend Children's City Opening [XINHUA]	33
Wang Renzhi Addresses Ideological Seminar [XINHUA]	33
Government, Party Leaders Visit Handicapped [XINHUA]	34
Meeting Held on CPC Organizational History [Jinan Radio]	34
Article Views Developing Socialist Successors [RENMIN RIBAO 25 Apr]	34
Commentator Touts Selfless Dedication [RENMIN RIBAO 12 May]	40
NPC To Inspect Implementation of Education Law [CHINA DAILY 18 May]	41
CPPCC Work Conference Held in Shandong [Jinan Radio]	41
Lawyer Reviews Intellectual Property Rights [XINHUA]	42
Mao's Talks on Literature, Art Recalled [XINHUA]	43
Correction to Central Organs on Literature, Art	44

Military

Party Leadership Over Ideological Work Viewed [RENMIN RIBAO 6 May]	44
PLA Develops Microwave Telecommunications System [Beijing Radio]	45
Armored Troops Finalize Training Regulations [RENMIN GONGAN BAO 12 May]	45
Commander Inspects Air Defense Facilities [BEIJING RIBAO 22 Mar]	45

Economic & Agricultural

Li Peng Signs Regulatory Tax Regulations Decree [XINHUA]	46
State Council Decree [XINHUA]	46
Regulations on Taxation for Development Zones [GUANGMING RIBAO 1 May]	46
Li Peng Discusses Developing Rural Industry [XINHUA]	47
Growth of Rural Enterprises Charted [CHINA DAILY 20 May]	48
Li Lanqing on Village, Town Enterprise Exports [XINHUA]	49
Leaders Present Awards to Outstanding Enterprises [XINHUA]	50
China Further Devalues Yuan [AFP]	50
XINHUA Gives Exchange Rates for 19 May	50
Interest Rate Cut Stimulates Debate [CHINA DAILY (BUSINESS WEEKLY) 28 Apr]	51
Statistics Serve as Inflation Warning [CHINA DAILY 17 May]	51
Prices of Key Materials Raised [CHINA DAILY 17 May]	52
Unemployment Increasing Since Beginning of 1991 [CHINA DAILY (BUSINESS WEEKLY) 12 May]	53
Energy Minister Optimistic About Future [Hong Kong LIAOWANG OVERSEAS EDITION 6 May]	53
Oil Industry Seeks To Expand Foreign Investment [CHINA DAILY (BUSINESS WEEKLY) 19 May]	55
China's Mining Improves Over Past Decade [XINHUA]	56
Government Plan for 1991 Railway Development [XINHUA]	56
Minister on Rural Hydroelectric Industry [RENMIN RIBAO 17 Apr]	57
Statistics Bureau Announces More Projects [XINHUA]	57
Guangdong Hosts Symposium on Shareholding System [Guangzhou Radio]	57
'New Flood' of Foreign Investment Emerging [XINHUA]	58
Hainan Announces 1st Foreign Investment Regulations [RENMIN RIBAO 6 May]	58
Shanghai's Pudong Economic Zone Develops [RENMIN RIBAO 6 May]	58
Xue Muqiao Clarifies Theory of Socialist Economy [XINHUA]	59
Anhui's Lu Rongjing on Guiding Rural Reform [RENMIN RIBAO 15 Apr]	60

Transregional Cooperation Gears Up [XINHUA]	64
---	----

REGIONAL AFFAIRS

East Region

Anhui Accelerates Trade, Economic Development [XINHUA]	65
Technology Zone Established in Jiangsu City [XINHUA RIBAO 8 May]	65
Pudong Area Boosts Foreign Investment in Jiangsu [XINHUA]	65
Jiang Chunyun Attends Activity for Handicapped [Jinan Radio]	66
Shandong Democratic Construction Plenum Ends [Jinan Radio]	66
Shanghai's Huang Ju Meets Du Pont Chairman [Shanghai Radio]	66
Ni Zhifu Addresses Shanghai Trade Union Meeting [Shanghai Radio]	66
Zhejiang's Li Zemin Urges Family Planning [ZHEJIANG RIBAO 9 May]	67
High-Tech Development Zone Opens in Zhejiang [XINHUA]	68
Foreign Investment Boosts Zhejiang Real Estate [XINHUA]	69

Central-South Region

New Guangdong Acting Governor Queried [Guangzhou Radio]	69
Guangdong Businessmen Given Ideological Training [HONGKONG STANDARD 17 May] ..	69
Guangdong Hi-Tech Development Reported	70
Hong Kong Cooperation Sought [CHINA DAILY (BUSINESS WEEKLY) 19 May]	70
Zhongshan Sees New Enterprises [XINHUA]	71
Reports on Guangdong's Shenzhen Economic Zone	71
Open Bonded Market Planned [XINHUA]	71
Stock Market Rules Issued [XINHUA]	71
Officials' Housing Probed [XINHUA]	71
Reports on Guangdong's Shantou Economic Zone	72
Cadres Punished on Housing Acts [ZHONGGUO XINWEN SHE]	72
Guangao Attracts Investment [XINHUA]	72
Soldiers Said on 'Crime Spree' [HONGKONG STANDARD 14 May]	73
Guangdong's Zhuhai Zone Builds Infrastructure [XINHUA]	73
Reports on Guangxi Drought Continue	73
Cause, Effects Detailed [XINHUA]	73
Rainfall Relieves Region [ZHONGGUO XINWEN SHE]	73
Hunan's Xiong Qingquan on Support for Handicapped [Changsha Radio]	74

Southwest Region

Speculation on Fate of Tibet's Hu Jintao [Hong Kong SOUTH CHINA MORNING POST 18 May]	74
'Backgrounder' on Tibet's 'Peaceful Liberation' [XINHUA]	75
XINHUA Reports Changes, Progress in Tibet	75
Gyaincain on 'National Unity'	75
Former Serf Notes Optimism	76
Bridges, Roads Constructed	76
Changes Seen in Previous Tibetan 'Home of Exiles' [XINHUA]	77
Tibet Book Exhibition Celebrates Publishing Surge [XINHUA]	78

North Region

Beijing Plans To Attract More Foreign Investors [CHINA DAILY 20 May]	78
Wang Qun at Inner Mongolia Workers' Congress [Hohhot Radio]	79
Inner Mongolia's Development Programs Reported	79
Infrastructural Development [Hohhot Radio]	79
Technological, Industrial Changes [Hohhot Radio]	80
Agricultural Development [Hohhot Radio]	80
Economic Reform Helps Inner Mongolian Herdsmen [XINHUA]	81
Inner Mongolian Students Work at Grass Roots [Hohhot Radio]	81

TAIWAN

Li Teng-hui Discusses Democratization	
<i>[Hong Kong SOUTH CHINA SUNDAY MORNING POST 19 May]</i>	82
President Urges Closer Ties With South Korea <i>[Seoul YONHAP]</i>	83
President, Premier Receive Japanese Delegations <i>[CNA]</i>	83
Premier Discusses Mongolian Sovereignty Issue <i>[Taipei Radio]</i>	83
Reports Examine Repatriation of Mainland Visitors	84
Interior Ministry Order <i>[Taipei Radio]</i>	84
Agreement With Red Cross <i>[Taipei Radio]</i>	84
Students Protest Justice Ministry Actions	84
Railway Station Occupied <i>[Taipei Radio]</i>	84
Premier Shows Concern <i>[Taipei Radio]</i>	85
Peaceful End Urged <i>[Taipei Radio]</i>	85
Secessionist Movement Opposed <i>[CNA]</i>	86
Ministries Meet <i>[Taipei Radio]</i>	86
Education Minister Comments <i>[Taipei Radio]</i>	86
Students Meet Press <i>[Taipei Radio]</i>	87

General

Middle East Peace Process Examined

President Bush Optimistic

OW1805044391 Beijing XINHUA in English
0132 GMT 18 May 91

[Text] Washington, May 17 (XINHUA)—President George Bush today dismissed doubts on the U.S. efforts to bring an end to the Arab-Israel conflict, saying that "there is real cause for optimism."

After being briefed by Secretary of State James Baker on his latest trip to the Mideast, Bush told reporters that "my assessment, after hearing the report from Secretary Baker, is that there is real cause for optimism, and we will continue to work this process."

Baker returned last night from his fourth trip to the Mideast over two months after an apparent failure to iron out the differences between Israel and Arab nations on a proposed peace conference on the Mideast conflict.

Asked why he believed there is reason for optimism, Bush said he would not reveal the details because "a lot of these things have to be quiet when you're talking about diplomacy."

Bush said that Baker would go to the Mideast again if there is the necessity.

Baker said that both Israel and Arab nations have agreed that the objective of the proposed peace conference is a comprehensive settlement based on U.N. Security Resolutions 242 and 338, which represents, Baker said, "a pretty important agreement."

"That doesn't bring you to a peace conference, because you've got to get agreement on everything before you can have peace conference. But that first fundamental agreement has to be made, and it has been made," Baker said.

The U.N. resolutions call for Israel to give up all the Arab land it occupied since the 1967 war in exchange of recognition of existence by Arab nations. However, Israel argues that it has complied with the resolutions when it returned the Sinai Peninsula to Egypt.

When a reporter pointed out that the parties concerned don't agree on what 242 and 338 require, Baker said, "if there was an agreement on what 242 required, you wouldn't have to have a conference. You wouldn't even, indeed, have to have negotiations. That's what the negotiations are for, is to determine exactly what's meant by 242."

Baker's Return Noted

OW1705121491 Beijing XINHUA in English
0918 GMT 17 May 91

["Roundup: Baker Returns With Mid-East Peace Still Elusive (By Huang Yong)"]—XINHUA headline]

[Text] Washington, May 16 (XINHUA)—U.S. Secretary of State James Baker returned tonight from his fourth trip to the Middle East with a proposed conference on Arab-Israeli conflict still up in the air.

Baker tried hard to narrow the differences between Israel and Arab nations on the conference during the six-day travel to Syria, Egypt, Jordan and Israel, which some U.S. officials had said would be his last trip to the region, if no real progress was made as it had been in the previous three trips. Cosponsored by the United States and the Soviet Union, the proposed peace conference would be attended by Israel, its neighboring Arab nations, Gulf states and Palestinians and would later break into separate negotiations between Israel and Arab nations and between Israel and Palestinians.

But Israel and Arab nations, Syria in particular, differed on such issues as the role of the United Nations, the importance of the conference itself and the qualification of Palestinian delegates.

At the end of the trip, Baker acknowledged that two sticking points remained. "There remains to be solved the question of the role, if any, of the United Nations in the process and the question of the extent to which any conference might reconvene with the content of all parties," he said.

According to U.S. officials, Syria insists that the United Nations play a "significant" role in any peace conference on the Middle East and the conference should be resumed from time to time to hear the process of the negotiations, while Israel objects any U.N. presence at the conference and demands that the conference be one-day ceremonial gathering.

Although the dispute over U.N. role and the continuation of the conference seem procedural, it reflects the difference between Israel and Syria over the meaning of the U.N. Security Resolutions 242 and 338, which Israel has agreed to be the basis of the negotiations.

Syria, agreed by the international community including the United States, points out that the U.N. resolutions call for Israel to return all the Arab land it occupied since the 1967 war in exchange for the recognition of Israel by Arab countries, that is "land for peace". But Israel asserts that it has given up all Arab land when it returned Sinai Peninsula to Egypt and therefore, it now expects to be rewarded with peace.

That is why Syria, whose Golan Heights are occupied by Israel, insists on the U.N. participation in the conference to justify its demand for taking back the piece of land, while Israel wants to keep out the United Nations for the very reason of annexing forever the occupied Arab land.

During Baker's visit, Israel, which had refused to deal with Palestinians associated with the Palestine Liberation Organization or residing in East Jerusalem, seemed to accept a U.S. proposal of a Jordanian-Palestinian delegation to the peace conference. But the question is

whether Israel still insists on vetoing some Palestinians whom it claimed to be terrorists. This scheme was used by Israel to block previous peace initiatives.

Baker, who would brief President George Bush tomorrow and then decide what next steps to take, said that "you are not going to have a conference until those issues are resolved."

It seemed that the proposed conference is as elusive as ever after Baker's fourth trip and the U.S. efforts to tackle what Baker called "the most intractable of all problems" on earth are still getting nowhere.

Diplomatic Efforts Viewed

OW1705183191 Beijing XINHUA in English
1539 GMT 17 May 91

["Roundup: U.S., Soviet Foreign Ministers Visit Middle East (By Wang Lianzhi)"]—XINHUA headline]

[Text] Beijing, May 17 (XINHUA)—The foreign ministers from both the Soviet Union and United States recently tried their hands at shuttle diplomacy in the Middle East, hoping find a settlement to the 43-year-old confrontation between the Arab world and Israel.

Between May 8 and 15, Soviet Foreign Minister Aleksandr Bessmertnykh visited Syria, Jordan, Israel, Egypt and Saudi Arabia. He wrapped up his Middle East visit by meeting with Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization (PLO), in Geneva.

At almost the same time, May 11-16, U.S. Secretary of State James Baker visited the same countries as Bessmertnykh had, except for Saudi Arabia and seeing 'Arafat.

Both officials held two rounds of discussions in Cairo and exchanged views on the prospects for peace in the region with Egyptian President Muhammed husni Mubarak.

In March and April this year, the U.S. secretary of state conducted three separate tours to the Middle East in an attempt to resolve the long-standing conflicts in the region. However, most analysts say his efforts made little substantial progress toward that goal.

At the end of his third trip to the Middle East, Baker made a special visit to Kislovodsk in Caucasus area of the Soviet Union and held talks with Soviet Foreign Minister Bessmertnykh asking for help in the peace process.

During the talks, the Soviet Union, which is seen as eager to revive its role in the Middle East, demonstrated a constructive attitude towards the U.S. peace plan for the region, and expressed willingness to co-chair an international conference for peace in the troubled region. It was at that those talks that the two sides hammered out the strategy to jointly travel to the Middle East.

Several encouraging trends have emerged from the joint Soviet-U.S. efforts toward resolving problems in the Middle East: closer ties between the U.S.S.R. and Israel;

participation by the Gulf Council in any negotiations; cooperation rather than competition between the Soviets and Americans in the region; and significantly, agreement in principle for a peace conference.

Bessmertnykh's visit was first by Soviet foreign minister to the Jewish state since Israel was founded in 1948. The Soviet foreign minister said that the relations between his country and Israel have entered a new and important stage.

Although he rejected the Israeli precondition that the Soviet Union first restore diplomatic relations with Israel in order to co-chair a peace conference, Bessmertnykh said the resumption of state-to-state ties would be resolved naturally in a timely manner.

The Soviet foreign minister also said after a meeting with the Israeli leaders that both sides will join efforts in calling for an international peace conference.

Another potentially significant development was the agreement by the six member-countries of the Gulf Cooperation Council to send its secretary general as an observer to the Mid-East peace conference. The move is considered as great support for Baker's peace efforts. U.S. President George Bush also looks at it as a sign of some progress.

A third important event is the constructive atmosphere in which the U.S. and Soviet Union are working together towards resolving problems in the Middle East—a sharp break from their past involvement in the region.

The two ministers stated after talks in Cairo that both sides share the same view on many problems concerned with the realization of Middle East peace. They also expressed their determination to continue promoting the peace process in the region.

Finally, on May 14, Baker said all concerned parties he had talked with have agreed in principle to participate in the peace conference chaired by the U.S. and U.S.S.R.

At the end of his Middle East journey, Bessmertnykh concluded that although there is an opportunity emerging to settle Mid-East problems, it will be more complicated than expected.

While analysts note that the Middle East peace efforts by the two powers failed to make a significant breakthrough, at least steps seem to be headed in the right direction.

At present, the main problems in the region are differences between Israel and Syria, defining the role of the United Nations in the peace process, the capacity of any international peace conference to solve seemingly intractable issues and how the Palestinians will be able to participate in any conference.

On that last point, there are three possible ways the Palestinians may be involved: by forming their own

group for the conference; Palestine as a part of an Arabian delegation; or together with Jordan as a joint delegation.

However, up to now Israel remains intransigent on the issue of Palestinian participation, refusing to talk directly with the PLO.

Israeli Policy 'Obstacle'

HK1805074191 Hong Kong TA KUNG PAO in Chinese
18 May 91 p 3

[Article by TA KUNG PAO U.S. correspondent Wang Jen-yun (3769 0088 5366): "Baker's Fourth Mideast Visit Does Not Yield Great Results; Israel's 'Three No's' Policy Still Major Obstacle"]

[Text] New York, 17 May—

Arab Countries' Attitudes Show Flexibility

U.S. Secretary of State James Baker has ended his fourth visit to the Middle East aimed at promoting Israeli-Arab peace talks. When leaving for the United States, he claimed that the door to the convening of a peace conference has not been closed, but people clearly see that Baker has not made any substantive headway on the issue of Israeli-Arab peace talks. This does not mean that Baker gained nothing during the visit. Under his canvassing, at least some Arab countries have shown some flexibility in their attitudes. For example, the Gulf Cooperation Council has agreed to send its secretary general to attend the Israeli-Arab peace conference as an observer on behalf of the six Gulf states. Jordan's King Husayn also said that his country is ready to attend the peace conference in the form of a Jordanian-Palestinian delegation. However, Israel's tough attitude has again deadlocked the work of promoting Israeli-Arab peace talks.

In light of the six Gulf states' concessions, the Israeli prime minister's office stated that their decision to send an observer to attend the peace conference "does not contribute to the peace process at all!" Just as the six Gulf states' attitude is slightly flexible, such a comment obviously does not help the efforts to end economic boycotts against Israel or to promoting Israeli-Arab peace talks.

Rejecting Compromised Proposal

The compromise proposal Baker brought to the Middle East makes a big concession to Israel. For example, it proposes that after the opening ceremony, direct Israeli-Arab talks in small groups will immediately begin, that a full meeting will be held again every six months to hear of the talks' progress, and that UN representatives will be present as observers. So far, however, Israel has not only rejected holding meetings at regular intervals but also refused to accept the proposal for UN observers at the talks. The key to Baker's failure to get anything in his

current visit is that the terms acceptable to Israel are too far from those acceptable to Syria.

In fact, long before Baker arrived in Israel, an Israeli minister set forth an undisguised "three no's" policy. Rahmin Jivi [la ha min qi wei 2139 0761 2404 7871 4850], minister without portfolio in the Israeli cabinet, claimed that the Shamir government should welcome Baker with "three no's":

1) Do not participate in any type of Mideast meetings; 2) Do not talk with the Palestinian Liberation Organization [PLO] or with any country aiding the PLO; and 3) Do not let the United Nations join in any part of the peace process.

The Shamir government does not officially put forward the "three no's" policy but, judging by its consistent remarks and attitude toward the Israeli-Arab talks, the "three no's" is obviously the core of its policy.

When the U.S.-Iraq war ended, there was a considerable U.S. market for the view that since the United States had protected Israel with its "Patriot" missiles and, since the U.S. troops had destroyed most of Iraq's military strength, Israel's archenemy, the United States would have more room to maneuver in urging Israel to join in the peace talks. But judging by Baker's fourth Mideast visit, the view that Israel will "return U.S. kindness" is at most a wishful misunderstanding on the part of Americans.

It Is Unnecessary To "Be Grateful to the United States and Seek Ways To Return Its Kindness"

In an article entitled "Post-Gulf War Israel" in the latest issue of the U.S. journal, COMMENTARY, David Bar-Ilan [dai wei ba er-yi lan 2071 4850 1572 1422—0122 5695], editorial page editor of THE JERUSALEM POST, aired his view that Israel need not "be grateful to the United States and seek ways to return its kindness." In his view, the Israeli military would have been more effective than U.S. troops in destroying Iraqi missile launchers; the U.S.' insistence of not letting Israel take action has led people to believe that the Bush administration has no wish whatsoever to let Israel prove that it does not need protection from U.S. troops. The entry of U.S. troops into Israel has even violated a basic tenet of Israeli defense policy—never ask foreign troops to defend Israel. With regard to using "land in exchange for peace," he claimed that if Israel had used land in exchange for peace a long time ago, it would have been unnecessary for Saddam Husayn to fire missiles from faraway western Iraq as he could have directly threatened Tel Aviv from the former Israeli-occupied areas.

THE JERUSALEM POST is a newspaper which frequently reflects Israel's official viewpoints and it is believed that Bar-Ilan's view is also quite prevalent among the Shamir government leadership. It thus seems that the U.S.-Iraq war has probably toughened Israel's attitude rather than softened it.

Some U.S. Government officials disclosed to THE NEW YORK TIMES that Baker believed that if he made another shuttle visit to the Middle East, he would be able to settle the remaining differences or pinpoint without doubt where the obstacles came from. It now seems that he has most probably attained the latter in his fourth Mideast visit.

U.S. Moves Contemplated

HK1705125991 Beijing ZHONGGUO QINGNIAN BAO in Chinese 3 May 91 p 2

["International Hotline" by Guo Xu (6753 1645) and Liu Jinghua (0491 7231 5478): "U.S. Activities After Gulf War"]

[Text] Apart from the basic aims of "safeguarding Saudi Arabia's security" and "protecting oil resources in the Gulf region," another purpose of the Gulf war launched by the United States earlier this year was to destroy Iraq's overexpanded military muscles, subvert the Saddam Husayn regime, and establish a post-cold war "new world order."

Political Struggle After War

Now the United States believes the basic aims of the war have been fulfilled. After the Gulf war, the new moves of the United States will be to take part and play a leading role in the shaping of the post-Gulf war regional security structure; use the Gulf region as a testing ground for it to establish a "new post-cold war world order;" seek profits from the reconstruction in the Gulf region as a remedy to reinvigorate the declining U.S. economy; encourage and expedite political reform in Kuwait and other countries in the Gulf region; place the settlement of the Arab-Israeli conflict and especially the Palestinian issue on the agenda of diplomatic efforts; and work for arms control in the region, in particular the control of such massive lethal weapons as biochemical and nuclear weapons.

Although the United States has won the Gulf war, it is still facing the priority task of establishing the type of peace in the Gulf region that is politically in its favor and conducive to its efforts to promote a "new world order."

In the past, the United States used to pursue a policy in the Middle East partial to Israel, which has exposed many shortcomings under the impact of the Gulf war. After the end of the cold war, in the Middle East, the United States has, to a certain extent, shifted its focus from Israel to Arab countries. Saddam Husayn's challenge has given the United States many inspirations, urging it to adjust its Mideast policy. In the Americans' eyes, maintaining stability and growth under the U.S. dominance conforms with their national interests. The United States did not completely destroy the Saddam Husayn regime militarily but continues to treat it as a negotiating party after the Gulf war. Nevertheless, the United States is looking forward to internal upheaval in Iraq so Saddam Husayn will be forced to step down. Should this happen, the United States would not have to

be directly involved in any military operation to subvert this foreign political regime, and this would help alleviate the anti-U.S. feelings in the Arab world. The Americans think that it will be "useful" to them if Saddam Husayn retains some military strength, because the regime can serve to counterbalance Iran and Syria, thus preventing any power vacuum in the Gulf region and offering a pretext to support the presence of some U.S. military force in the Gulf region after the war.

The Gulf war has shown that the "Bush Doctrine" has become the general principle guiding U.S. policy making. The kernel of the "Bush Doctrine" is that the United States, while pursuing a detente policy toward the Soviet Union and showing concern for the changing situation in the Soviet Union and East Europe, should prevent by every necessary means any regional powers from threatening U.S. interests, and should strive to establish a "new world order" under U.S. dominance.

What Does the "Bush Doctrine" Signify?

1. The nuclear confrontation between the United States and the Soviet Union has been replaced by the rise of the United States as the single deterrent against regional powers, and the Strategic Defense Initiative (the Star Wars Program) that was proposed during the Reagan era to counter a possible nuclear attack from the Soviet Union has been changed into a regional defensive system during the Gulf war.
2. The United States' complex strategy has been switched over from "containment against Soviet global expansion" to destruction of any regional powers challenging the "new world order." After the disintegration of the U.S.-Soviet bipolar structure, the proliferation of advanced weapons and regional conflicts have turned out to be the greatest threat against U.S. interests. So those regional powers that dare to challenge the United States will become its main targets to strike at under the "Bush Doctrine."
3. The U.S. military strategy has shifted from a "war of low intensity" to a "war of ultra-low intensity." All U.S. leaders since the Vietnam war have had a lingering fear of any massive military adventures. Carter was criticized for cowardice on the event of the Iranian detention of U.S. hostages, which brought humiliation upon the United States. Reagan was described as a "hero" who beat "midgets" (Grenada, Panama, and Libya). Bush said: The significance of the Gulf war is that "the phantom of the Vietnam war has been buried forever in the desert of the Arabian Peninsula." All the Americans, the leaders and the public alike, are now self-confident that the United States is powerful enough to deal with all kinds of wars of different "intensities" launched by any regional powers.
4. The United States' overall strategic goal has been shifted from U.S.-Soviet global contention to the control of some key geopolitical targets. The United States' oil imports from the Persian Gulf only account for 5 percent of its total oil import volume. However, the world oil market is an integral whole, and turbulence in any major oil-producing area may have impact on the overall

situation. Anyway, increase in the oil price can turn a tendency of economic recession into a real evil.

5. In the ideological field, the United States has switched from struggle against communism to promotion of its own standards of value and ideals. In the Gulf war, the United States has made every effort to promote an image of a world leader which upholds American "values," "morality," and "justice," and to replace its old image as an anticommunist pioneer with the new image as the creator of a "new order."

6. The U.S. Armed Forces have been affecting a change from the "outward type" structure that is based on its military presence abroad to the "protective type" structure that mainly relies on deterrent power. During the cold war, the U.S. Armed Forces had always maintained a great strength that was unprecedented for peacetime, and the country had been in a state of high alert. In the wake of the end of the cold war, the United States needs to redefine the form of its military forces, and build up a "streamlined" force with strategic nuclear weapons as its major deterrent power, with small-sized rapid-response mobile units constantly at war readiness as its "arrow-head," with well-trained and strong reserve units as its core, and with efficient logistics services as its backing.

United States & Canada

Pending Decision on MFN Status Discussed

Business Group's Stance Noted

OW1805020691 Beijing XINHUA in English
0138 GMT 18 May 91

[Text] Washington, May 17 (XINHUA)—Withdrawal of China's most favored nation treatment (MFN) by the U.S. would put near 4 billion dollars worth of U.S. direct investment in China at risk, the U.S.-China Business Council said today.

In a position paper, the Council said that withdrawal of MFN would create specific problems for U.S. investors, which include:

- U.S. duty rates on Chinese products would rise an average of 500 percent resulting in the loss of an important export market for foreign investment enterprises;
- China would retaliate, and foreign-invested enterprises that rely upon U.S.-sourced raw materials, parts, and components would be forced to pay much higher prices or find alternative suppliers; and
- U.S. investment projects would, at the least, be denied the proactive assistance from the Chinese authorities necessary to operate foreign investment projects in China.

It said the United States "should not be looking for ways to reduce commercial interchange with China" and "should be looking for ways to increase it."

This is the second position paper issued by the council in less than a month. Its first position paper emphasized that withdrawal of China's MFN will hurt U.S. consumers and importers as well as exporters.

The U.S.-China Business Council is a private membership organization that represents about 200 U.S. companies that have commercial interests in China.

Trade Expert Views Situation

HK1905015091 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19 May 91 p 4

[“Special to Business Weekly” by Qiu Xichun]

[Text] Editor's note: As time ticks away towards June 3, by which date President George Bush is expected to decide whether to renew Most Favoured Nation [MFN] status for China, attention is focusing on several key factors underlying Sino-U.S. trade relations. BUSINESS WEEKLY invited Qiu Xichun, a trade expert with the Department of Policy Research & System Reform, at the Ministry of Foreign Economic Relations and Trade, to look at some of the key factors. [end editor's note]

Since 1989, the trade imbalance between China and the United States has become an increasingly serious problem in bilateral economic and trade relations. The United States has shown deep dissatisfaction over its trade deficits with China.

According to U.S. figures, China now has the third largest trade surplus with the U.S. after Japan and Taiwan. In 1990, the U.S. announced a deficit of \$10.3 billion in trade with China.

The fast rise in the U.S. trade deficit with China has become a focal point for Washington and the business community.

Intensifying the trade friction is the huge total U.S. trade deficit which poses a serious threat to the country's economy. On the top of that, since the fourth quarter of last year, the U.S. economy has gone into recession, and that is fuelling the tendency towards trade protectionism.

But the Chinese, working things out their way, reckon that, in fact, China has a trade deficit with the United States.

The Chinese Customs authorities say that in 1990, China exported \$5.18 billion worth of products to the U.S. and imported \$6.59 billion worth from the U.S. leaving the Americans with a trade surplus of \$1.41 billion.

Such huge discrepancies in the way each side works things out, means neither has a clear idea of what is really happening to the balance of trade.

The difficulties in calculating trading results are mainly caused by Chinese exports to the U.S. through Hong Kong.

China counts goods exported according to where they are sent, while the United States bases its calculations on their final destination. In imports, both nations do the sums according to the origin of the products.

When the place of origin is not clear, the U.S. takes the dispatching country as its starting point, while China puts it in the category of "unclear".

Determining the destination of exports through a third country is difficult, so it is not surprising that the two countries achieve different results. The impact is sharpest here in China because the percentage of Chinese exports through Hong Kong is quite large.

On the same principle, the U.S. fails to take into account its exports to China via a third country. China has imported a lot of U.S. commodities through Hong Kong, Singapore, Switzerland and Britain. According to Chinese Customs, China imported \$2.58 billion worth of such U.S. exports in 1990.

Other factors, such as the cost of carriage, insurance and freight, also cloud the issue.

Apart from the entrepot trade factor, the Sino-U.S. trade imbalance is not the result of unfair competition such as Chinese Government subsidies or limitation of American imports.

In recent years, the Chinese Government has provided only very small subsidies for exports. For example, in 1988, they accounted for only 4 percent of the total value of exports.

China froze the total amount of its export subsidy in 1988. But between 1988 and 1990, there was a fast rise in Chinese exports. This shows that there was no clear link between the subsidies and the export campaign.

In the new foreign trade system in operation this year, China has cancelled export subsidies.

With regard to the alleged limitations on imports, China is following the principle of keeping a balance between imports and exports and is using market forces to regulate them. Under the reformed foreign trade system, the percentage of government orders is dropping. Local and enterprise orders account for two thirds of the total imports.

Imports have fallen because of domestic economic retrenchment. Since China has given priority to the purchase of advanced technology and equipment, and industrial and agricultural production materials, Western economic sanctions against China have also adversely affected Chinese imports.

The biggest curb on Chinese imports is its limited foreign exchange reserve.

Revoking Most Favoured Nation trade status for China will do nothing to solve the bilateral trade imbalance. Instead, it will only harm Sino-U.S. trade development.

Through sending large purchasing delegations to the United States, China has demonstrated its willingness to solve the issue. In addition, it has adopted a series of measures to encourage firms to expand imports from the United States.

If the MFN status for China is cancelled, most Chinese exports will be driven out of American markets by high tariffs. In the meantime, retaliatory Chinese measure will cost the United States the Chinese market.

After losing their market share in China to other industrial countries, U.S. producers and traders of major export goods will incur heavy losses and the U.S. foreign trade deficit will worsen.

The U.S. has become China's third largest trading partner.

Compared with Chinese efforts, the U.S. has not done enough on the research of the Chinese market in terms of Chinese consumer behaviours, levels and tendencies.

Besides, the U.S. Government should support the U.S. exports to sell their products to China. Because of lack of U.S. Government loans, the U.S. business people have lost a lot of opportunities to participate in the major Chinese construction projects.

Moreover, the U.S. should view the Sino-U.S. trade imbalance as part of the trade imbalance between the U.S. and Asia-Pacific region. In recent year, investors from Hong Kong, Taiwan and South Korea have been investing in the labour-intensive industries on the Chinese mainland. Such business sectors mainly produce goods for exports, of which the bulk has entered the U.S. market. It is unfair for China alone to take the responsibility for the trade imbalance between China and the United States.

Administration Policy Reviewed

HK2005090591 Hong Kong WEN WEI PO
in Chinese 20 May 91 p 4

["Newsletter From the United States" by WEN WEI PO Washington-based special correspondent Chu Hsing-fu (2612 1630 4395): "Bush's China Policy Has Its Supporters"]

[Text] Washington, 18 May (WEN WEI PO)—

Bush Is Facing Strong Pressure

With regard to current Sino-U.S. relations, mainland and Hong Kong Chinese, as well as many Americans who have economic and trade relations with China, are most concerned about the question of whether or not the United States will continue to provide China with most-favored-nation [MFN] status this year.

In accordance with the operational methods of the U.S. Government, President Bush will submit a report to the U.S. Congress before 3 June to notify whether he will

continue or cancel China's MFN treatment. From Bush's previous attitude and recent indications, people can draw the following conclusion: Bush hopes, and is ready, to extend China's MFN status for another year but he now faces increasing pressure from Congress. Quite a number of congressmen have taken an unfriendly [bu you hao 0008 0645 1170] attitude toward China, criticizing Bush for being too friendly [guo fen you hao 6665 0433 0645 1170] to China and wanting him to exert pressure on China. Many congressmen asked Bush to cancel China's MFN status or extend it conditionally. By conditions, they mean conditions unacceptable to China. We can put it this way: Conditional extension of China's MFN status means abolition of this status because China would "rather be a shattered jade vessel than an unbroken piece of pottery."

People familiar with the U.S. political situation pointed out that some U.S. congressmen recently proposed several bills on conditionally extending China's MFN status. It seems that they are concerned about human rights issues in China, U.S.-China trade deficits, and China's arms sales. But, as a matter of fact, they harbor different kinds of consideration and intentions. In the long run, they wish to exact pressure on China by means of the MFN issue in an attempt to make China develop toward democratization. When meeting the Dalai Lama last month, some Democratic congressmen openly said that they wished what was happening in East Europe today would take place in China tomorrow. From a short-term viewpoint, next year will be a presidential election year. President Bush is decisive [guo duan 2654 2451] and steady [wen tuo 4489 1185] in handling affairs and has good relations with others. His prestige is currently as high as the midday sun. No one in the Democratic Party is equal to or can outshine him in terms of reputation. This is a big obstacle to the Democratic Party's attempt to challenge the White House. Therefore they are trying every possible means to find fault with Bush and to attack and downgrade him politically in preparation for next year's election. The China issue is a trump card they can use to attack Bush but what these congressmen are most concerned about is their political lives because their terms of office are limited and they have to run for election when the terms expire. If they do not talk volubly about some problems or appear "elegant in politics," they think they will not be seen on television or given press coverage frequently. In such cases, their voters will not be able to know what they have really done in Washington.

Bush's Consideration

Some U.S. congressmen have demanded the abolition or conditional extension of China's MFN status from personal feelings with the purpose of improving their reputation or as a result of being misguided by prodemocracy elements who have fled to the United States. But how should we explain Bush's recent decision that he would extend China's most favored nation status? According to this reporter's observations, Bush will take account of the following factors when making a formal decision:

- Maintaining and improving U.S.-Sino relations is beneficial [you hao chu 2589 1170 5710] to both sides. The abolition of China's MFN status will not only affect China and Hong Kong but also American businessmen who do business with China. Apart from this, U.S. consumers' interests will also be harmed [sun hai 2275 1364], because Chinese commodities are good and cheap and have a strong appeal in the U.S. market.
- China is a big country in the region and also, potentially, in the world. The United States needs China's cooperation in some international and regional issues. If U.S.-Sino relations worsen, this will not benefit [wu hao chu 2477 1170 5710] the United States, will not be of help [wu zhu yu 2477 0504 2456] to the settlement of international or regional issues, and will not be advantageous [bu li yu 0008 0448 2456] to the stability of Asia and the world.
- China is a big country with a large population. It is a big market. Maintaining relations between the United States and China will help speed up China's modernization. After China realizes modernization, its economy will become strong, the people's purchasing power will be improved, and the country will open its market to U.S. products.
- Improving and restoring U.S.-Sino relations will help China advance toward the targets of reform and opening up. When China is economically developed, its political situation will remain stable. A stable political situation will help China speed up its political reform.

In addition, Bush was director of the U.S. Liaison Office in China in the mid 1970's. He has friendly relations [jiao qing 0074 1906] with Chinese leader Deng Xiaoping et al, is familiar with China's situation, and has a good knowledge of the Chinese people. For these reasons, President Bush stands higher and sees further than many congressmen. He can give overall consideration in handling Sino-U.S. relations.

China Has Made Great Efforts

China takes serious account of the development of Sino-U.S. relations. Since the latter half of last year China has made great efforts to improve and restore Sino-U.S. relations. On the human rights issue proposed by the United States, China has done its utmost within the framework of law and there has been much improvement in this issue. To make up for the trade deficit, China recently imported \$250-million worth of wheat from the United States, apart from sending a second large-scale trade purchasing team to the United States. It is said that this team will purchase no less than \$700-million worth of commodities. China has given an explanation to the United States on the question of arms sales and products made by people on hard labor. While meeting U.S. Under Secretary of State Kimmitt on 6 May, Chinese Foreign Minister Qian Qichen said frankly that the improvement of Sino-U.S. relations required the two countries' common efforts.

The United States Will Also Suffer Losses

In face of the increasing pressure from the U.S. Congress, will President Bush continue to extend China's MFN status unconditionally? If Congress rejects the President's decision, will Bush effectively execute his right of veto and turn danger into safety? People await the answers to these questions. However, Bush is not in the silent minority on the question of extending China's MFN status. Recently, various industrial and commercial organizations in the United States and the U.S. Chamber of Commerce in Hong Kong sent delegations to Capitol Hill to explain to congressmen the advantages and disadvantages and to demand their approval of the extension of China's MFN status. It has been revealed that if the United States abolishes China's MFN status, it will suffer an economic loss of several billion U.S. dollars. The victims will not only be U.S. wheat growers but also U.S. investors in China and U.S. manufacturers who export planes, chemical fertilizers, and electronic products to China. Moreover, hundreds of thousands of workers will lose their jobs.

U.S., Western 'Human Rights Diplomacy' Assailed

HK1905092491 Hong Kong WEN WEI PO
in Chinese 19 May 91 p 7

["Special commentary" by Lu Fan-chih (7627 0416 0037): "United States' So-Called Human Rights Diplomacy Is Violation of Others' Sovereignty"]

[Text] How should a backward developing country, in the process of "modernization," handle its relations with a highly "modernized" developed country?

Backward Countries' Double-Edged Sword and the "Peaceful Evolution" Issue

It is obvious that all the related issues are double-edged swords. When a backward developing country or area wants to be "modernized," on the one hand it must open its doors to advanced countries and develop close and mutually beneficial relations with them so that it can benefit from the so-called "proliferation of modernization." On the other hand, it must effectively resist the "pressure" from the advanced countries (to a backward country, advance is in itself a kind of pressure) and their intentional aggressive policies as well (facts in the history of human development have shown that advanced nations are always the aggressors; of course there were quite a few cases where underdeveloped nations conquered the developed; but as a matter of fact, real politics in this world still retains its "nation-oriented" or "state-oriented" feature today). In so doing, it seeks to safeguard its national sovereignty, its optimal economic interests, and its right of self-determination. It also seeks to prevent itself from being rendered the advanced nations' political vassal and economic "satellite," and the victim of the so-called "neocolonialism" and hegemonism practiced by those powers! For this reason, when China, as a member of the "non-Western culture," launched its "modernization" program, it had to open its

doors to the Western culture that is "in the lead in modernization," so as to seek an access to the development of the world culture while preventing the Chinese culture from "being modernized." On the other hand, China also had to weed out, transform, or constrain the negative ingredients, those unsuitable for China's national conditions, and those "West-centric" self-complacent aggressive ideas in Western culture, so as to retain the independence of national culture as well as the special characteristics and virtues of its national cultural tradition... Dialectically speaking, the independence of the national culture as an objective premise, in substance, can possibly be in line with the development of the world culture as a main trend.

After the 4 June incident, the CPC again played up the so-called theory of opposition to "peaceful evolution." In my opinion, if this act is not interpreted as dogmatism or a reversal of the reform and opening up policy, but is viewed on the basis of the above analysis instead, then, in a certain sense it is a reasonable act on the part of China, which is still a backward and developing country. This implies that, while assimilating those "ingredients" of the Western culture that are useful to China's "modernization," progress, and development (including a considerable amount of capitalist ingredients), China must oppose the policy of the West and international capitalism which are trying to exert pressure on or even aggress against China with their dominance in the field of "modernization." China must resist the development trend which is to completely turn it into an "economic vassal" of international capitalism. It must safeguard its sovereignty and preserve the good ingredients of China's cultural traditions. There is no doubt that the peaceful reform of China will still be an inevitable trend. But, in the first place, peaceful reform must be carried out on the above-mentioned precondition. As for the specific development of "Chinese-style socialism," this can be discussed and worked out through actual practice and theoretical study in the future. Secondly, in light of the historical experience of reform in China (first under Mao Zedong and then under Deng Xiaoping) and the historical lessons drawn from the reform in the Soviet Union (first under Khrushchev and then under Gorbachev), in a great reform one must not only make sure that the general orientation of the reform is correct. One must also set great store on the necessity of "keeping" the intensity of great shock, which is inevitable in a massive reform, within the extent that the state and social mechanism (including the public's mentality) can withstand, and attach full importance to the need to maintain relative stability. Otherwise, the great chaos arising from the complete loss of control will only lead to the failure of the massive reform. If this really happened, it would not only hamper the process of "modernization," but would also offer world powers a good pretext to intensify their interference in the country's internal affairs or even to enforce an aggressive policy against it. Finally, China will have to carry on reform, whether it be the economic reform that is to integrate market regulation with the planned economy, the political reform that is to integrate

democratization and stability, or the cultural reform which will combine westernization with China's own traditions. Based on the above consideration, however, it is obviously necessary to make the reform a gradual, long-term, and slow one.

"Human Rights Diplomacy" and "Human Rights Imperialism" [ren quan di guo zhu yi 0086 2938 1593 0948 0031 5030]

With their "lead in modernization," advanced Western countries (mainly the United States) have interfered in or even tried to dominate the development of relatively backward areas. Before the defeat of the United States in the Vietnam war, which was aimed at interfering in Vietnam's affairs, there was "neocolonialism" with economic power as its main backing. After the end of the Vietnam war, there has been the so-called "human rights diplomacy." It appears that the interpretation of "human rights diplomacy" practiced by Western countries (in fact, apart from the United States, at least France and the United Kingdom also fall in this category, and France has even shown a tendency to compete with the United States to become the leading supporter of "human rights") has now become a focus of controversy of urgent and practical significance. Here I would like to present my opinions on this question.

First, to be sure, the emphasis on "human rights" or civic rights reflects a progress for mankind. However, the United States' political practice, from the Carter and Reagan administrations to the present Bush administration, has shown that although the so-called "human rights diplomacy" has produced some objective effects in the safeguarding of "human rights" (for instance, offering humanitarian aid to political opponents in some countries so as to protect them against persecution), it is after all not the basic orientation of U.S. foreign policy. Within its sphere of influence, under the pretext of "human rights" and "democracy," the United States has always changed its agents, who had been propped up by the United States but become notorious because of the corruption of their regimes (such as Marcos of the Philippines and Noriega of Panama); by doing so the United States supported the rule by new faces with better images in these regions with a view to safeguarding its special interests. Meanwhile, in countries and areas that are not within the U.S. sphere of influence (for example, communist countries and "anti-western" Islamic states), the United States has used "human rights" and "democracy" as its "bargaining" power, in an attempt to influence the policies of these countries and areas or even to cause personnel changes in the power structure in such a way that they will be in line with U.S. interests.

As for France, it is true that this country has, to a greater extent, proceeded from its standard of value in supporting "human rights" and "democracy." It is different from the United States. The latter has given more consideration to U.S. interests and the U.S. hegemonist strategy in playing the "human rights card" and the "democracy card." In substance, the United States'

policy carries an imperialist color, and can well be called "human rights imperialism." The point does not lie in the argument concerning support for "human rights" (this humanism [ren dao zhu yi 0086 6670 0031 5030] is praisable), but in the use of "human rights" as a political bargaining counter and as a tool to interfere in other countries' internal affairs, or even to attempt to dominate others at the expense of violation of "human rights" by the very party which preaches "human rights." By the way, even France does not completely ignore French interests on this matter, while Britain is obviously seeking interests when it echoes the strategy of the United States, which is its overlord.

Viewing the Relationship Between "Human Rights" and National Sovereignty From the Kurd Issue

Second, even if one lays aside the above question concerning the use of the pretext of "human rights" and "democracy" by developed countries to seek selfish interests, one still can see that the relationship between "human rights" or democracy and national sovereignty (that is, no intervention in internal affairs) has always been a great controversy in contemporary international politics. The recent unscrupulous massacre by the Saddam Husayn regime which had just been defeated in the Gulf war can be taken as a good case for discussion. Like other nations in West Asia, the Kurds are entitled to all legitimate national rights which are the basic "human rights." The Saddam Husayn regime's bloody suppression of the Kurds is by no means a coincidence but the continuation of a long "genocidal" policy. This is a massive and very horrible operation aiming to deprive the Kurds of their basic "human rights" (or even the right to live). But it is also an internal affair of Iraq as a sovereign state. Should other countries intervene in Iraq's internal affairs and infringe upon its sovereignty to defend the Kurds' right to live and their basic "human rights"? Or should they turn a blind eye to the massive massacre of the Kurds just to safeguard Iraq's sovereignty and not to interfere in Iraq's internal affairs? This question is apparently not a question only concerning Iraq and the Kurds but one which has a bearing on some basic norms governing the contemporary international order and international politics.

[Text] Third, necessary aid must be provided for the Kurds, who are being massacred, while an attitude of "sitting back with folded arms" must be avoided. The international community might very well exercise various sanctions against Iraq proceeding from humanism, but a clear demarcation line must be drawn between such aid and intervention in Iraq's internal affairs. Here, we might as well cite the example of the "Khmer Rouge's" massacres on a still wider scale upon its seizing of power in Cambodia. It was precisely on such grounds that Vietnam intervened in and invaded Cambodia. But was Vietnam justified in its intervention and aggression? Would the United States be justified in dispatching its troops to the USSR for the latter's violation of Lithuanian "human rights" or in intervening in Lithuania's internal disputes? Or would the USSR be justified in

dispatching its troops to the United States or intervening when Los Angeles policemen beat up black people on the grounds of numerous cases of violating black people's "human rights"? If the answers are in the affirmative, there would be no world order to speak of, and such intervention would be a repetition of "rationalized" hegemonist aggression of sorts under the pretext of supporting "human rights." Obviously, such logic does not work.

A Demarcation Line Must Be Drawn Between "Human Rights" and Political Intervention in Internal Affairs

And fourth, "human rights" of the Kurds, Cambodians, Lithuanians, American black people, and people of all nationalities and nations worldwide must have the support of the international community, for international support plays a very great role in helping those people who really have suffered from political persecution, racial discrimination, and massacre, and that is an issue of humanism. However, humanitarian aid should by no means be extended to political intervention or even military invasion regardless of sovereignty of a state. Should such "human rights imperialism" or so-called "human rights diplomacy" be "rationalized," many weak nations in the world "would lose their status of a sovereign state," whereas those powerful countries, especially the United States, a power which "takes the lead in modernization" and has advantages in many arenas, would benefit from a "chaotic world" or regional wars and disturbances!

True, genuine "democrats" must support the values of "democracy," "freedom," and "human rights," but they must oppose "cloaked human rights imperialism" which intervenes in the internal affairs and violates the sovereignty of another country under the pretext of supporting "democracy," "freedom," and "human rights."

Soviet Union

Continued Reportage on Jiang Zemin's Visit

Visit to Auto Factory

*OW1705140891 Beijing XINHUA in English
1327 GMT 17 May 91*

["Jiang Zemin Visits Lihachov Auto Complex in Moscow (by Wang Faen, Chai Shikuan)"—XINHUA headline]

[Text] Moscow, May 17 (XINHUA)—Visiting Chinese leader Jiang Zemin today toured the Lihachov Auto Complex in Moscow, one of the biggest complexes in the Soviet Union, where he used to work 35 years ago.

General Secretary Jiang Zemin of the Chinese Communist Party Central Committee, accompanied by Yuri Prokofyev, first secretary of Moscow City Committee of the Soviet Communist Party, was warmly welcomed by Nikolay Pugin, minister of auto and agricultural

machinery manufacturing, and leading members of the complex, at the gate of the complex as the motorcade arrived.

Jiang shook hands with Pugin and had a brief chat in Russian with him.

The Chinese leader was shown around the assembling workshop where he talked with young workers, encouraging them to work hard to make new successes.

The complex, located in southern Moscow, turns out a truck every two minutes, with its annual output amounting to 185,000.

At the gate of the power center, Jiang was presented a bouquet of flowers.

After touring the boiler workshop, the general secretary came to the central control room of the power center, where he used to work in the late 1950's.

The familiar place reminded Jiang of those memorable days. Pointing to a chair, Jiang told other Chinese officials that he used to sit here to monitor the instruments for more than three months.

At the control room, two elderly woman workers were introduced to Jiang. Tears in eyes, Nina Zhabina had a brief chat with Jiang. She told the Chinese party leader that most of the woman workers working with Jiang at that time have retired and they asked her to convey their best regards to him. Jiang, speaking in Russian, asked her to convey his regards to them.

Another woman worker, Klava Bokina, showed Jiang a time-honored photo in which Jiang was together with her, then a pretty young girl, and three other workmates. On the back side of the picture, there was a signature by Jiang.

"I have still kept the picture and there was a signature by you. Do you still remember me?" Bokina asked.

Jiang smiled and nodded as he scrutinized the picture. He asked carefully about the current conditions of Bokina and her family.

Then he presented the two old workmates with gifts.

When leaving the workshop, Jiang had a warm hug with Zhabina, whose eyes still welled tears of joy.

Jiang also presented baskets of flowers before a sculpture of Vladimir Lenin and a monument to the complex's workers who devoted their lives during the anti-fascist war.

Jiang then talked in Russian to workers on the spot, raising warm applause among them.

In the complex office, Jiang praised this leading auto manufacturer for having trained 700 Chinese technicians and encouraged it to have more exchanges with the Changchun No. One Auto Plant in northeast China.

Before winding up the hour-long visit to the complex, Jiang wrote in a visitors' book in Chinese and Russian, which read: "May the Lihachov Auto Works take on a new look with each passing day, may the tree of friendship between the Chinese and Soviet peoples stand ever green."

Entourage Meets Counterparts

OW1705185291 Beijing XINHUA in English
1720 GMT 17 May 91

[Text] Moscow, May 17 (XINHUA)—Ministers accompanying Chinese Communist Party leader Jiang Zemin on his visit to the Soviet Union held talks with their Soviet counterparts today.

Chinese State Councilor and Foreign Minister Qian Qichen talked with Soviet Foreign Minister Aleksandr Bessmertnykh.

Chinese Defence Minister Qin Jiwei talked with Soviet Defense Minister Dmitriy Yazov.

Wen Jiabao, alternate member of the Secretariat of the Chinese Communist Party (CPC) Central Committee and director of the general office of the CPC Central Committee, met with Valeriy Boldin, director of the general affairs of the Central Committee of the Communist Party of Soviet Union (CPCU).

Zhu Liang, head of the international liaison department of the CPC Central Committee, met with Valentin Falin, secretary of the CPCU Central Committee and chairman of Central Committee's Commission for International Policy Issues.

Li Lanqing, Chinese minister of foreign economic relations and trade, talked with Konstantin Katushev, Soviet minister of foreign economic relations.

Jiang Speaks at Kremlin

CM2005165591 Beijing RENMIN RIBAO in Chinese
18 May 91 p 6

["Text" of speech by Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, in the Kremlin in Moscow on 17 May; "China on Its March Toward the 21st Century"]

Moscow, May 17 (RENMIN RIBAO)— Dear comrades and friends,

It gives me great pleasure to visit the Soviet Union at the invitation of Comrade Mikhail Gorbachev in May, when spring is very much in the air. I feel especially warm and happy to have the opportunity to meet you here today, because many of you not only care for China but also have an intimate knowledge of it. I am visiting your country with the friendly sentiments and good wishes of the Chinese people of all nationalities toward the Soviet people of all nationalities. In the past two days, we have been accorded a warm welcome by the Soviet leaders and people of various circles and deeply impressed by the sincere affection of the Soviet people for the Chinese

people. Yesterday my colleagues and I held talks with Comrade Gorbachev and also met with other leading comrades of the Soviet state and the Soviet Communist Party. We exchanged views extensively on the development of bilateral relations and on the current international situation and international issues of common concern and briefed each other on the domestic situation and the reforms under way in our respective countries. We were satisfied with the results of the talks.

Comrades, you may still remember that at about this time two years ago a historic meeting took place between Comrade Deng Xiaoping and Comrade Gorbachev, which opened a new chapter in the annals of Sino-Soviet relations by ending the past and opening up the future.

We are pleased to note that thanks to the joint efforts of the two sides in the past two years fresh progress has been made in various fields in Sino-Soviet relations. State and party leaders of the two countries have maintained their contacts and links; our economic and trade relations have further developed; exchanges in science, technology, education, culture, sports and other fields have increased steadily; and mass organizations, non-governmental institutions, academic bodies and the general public of the two countries have gradually increased their interchanges in all forms. The normal progress and healthy development of the contacts between the two parties, in particular, have given an impetus to the development of the friendly relations of cooperation between the two countries and the friendship between the two peoples.

Facts show that the establishment and development of a long-standing and stable relationship of good-neighborliness and friendship between China and the Soviet Union, the two great socialist countries, conform to the fundamental interests of the two peoples and the interests of peace and stability in the world. We hold that owing to their difference in historical background, social conditions and the level of economic and cultural development, it is natural and normal for the two countries to differ in views and opinions on some issues. The important thing is that such differences and divergences should not be allowed to affect the development of normal state-to-state relations. Sino-Soviet relations have been able to develop in a normal and healthy manner in the past two years, because both sides have treasured and attached great importance to our normalized relations, because both sides have followed the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence in handling state-to-state relations and abode by the principles of independence, full equality, mutual respect and non-interference in each other's internal affairs in handling party-to-party relations. The improvement and development of relations between China and the Soviet Union is not directed at any third party, nor at any other country. In our future contacts, we will continue to follow these principles. We

are convinced that the development of Sino-Soviet relations has a broad prospect. We will work actively to further develop the friendly and cooperative relations between the two countries and the two parties and further consolidate and enhance the great friendship between the two peoples.

Respected comrades, the approaching steps of the new century are already distinctly audible. Mankind will enter into the 21st century in a decade. This is an important historical period. The last decade of the 20th century is a very crucial period in the historical course of China's socialist construction for modernization. The Seventh Plenary Session of the 13th Central Committee of the Chinese Communist Party and the Fourth Session of the Seventh National People's Congress of China have charted the course for China's economic and social development in the coming 10 years and drawn up a magnificent blueprint toward the end. This is of great and far-reaching significance for ensuring the progress of our country and nation in the 21st century. Under the leadership of the Communist Party of China, the Chinese people are striving for the realization of their second-step strategic objective for national economy and social development.

One. Adhere to the Path of Building Socialism With Chinese Characteristics

It is known to all that China was once a semi-feudal and semi-colonial country with a backward economy and culture. In the 100 years from the mid-19th century, it was subjected to all kinds of bullying and aggression by imperialism and suffered from great misery and humiliation. In their struggle to save and revitalize the country, many people with lofty ideals groped in the dark, advanced wave upon wave, and even laid down their lives for the cause. Unfortunately, none of them succeeded. The salvos of the October Revolution brought China Marxism-Leninism which, once integrated with the Chinese workers' movement, gave birth to the Chinese Communist Party. Following a protracted and arduous struggle under the leadership of the Chinese Communist Party, the Chinese people at last overthrew the "three big mountains"—imperialism, feudalism and bureaucratic capitalism—and founded the New China.

Tremendous achievements have been scored in all fields since the founding of the People's Republic more than 40 years ago. Under the leadership of the Communist Party, the Chinese people of all nationalities have made concerted efforts in overcoming various difficulties and succeeded in building a poor and backward China into a socialist country with initial prosperity. Through our hard work for more than 40 years, we have solved the problem of inadequate food and clothing for a population that accounts for one fifth of the world total, built an independent and rather comprehensive system of industry and national economy and developed science, technology, education, culture, public health and sports, thus enhancing China's overall national strength. The Chinese people have come to realize from their own

experience that only socialism can save China and only by building socialism can China prosper.

China's socialist modernization is an entirely new undertaking. In the course of our progress, we have experienced both successes and setbacks. An important lesson we have drawn from it is that socialist construction must proceed from the realities in China. We have also realized keenly that the fundamental task of socialism is to develop social productive forces. The superiority of socialism lies in the fact that the productive forces inherent in the system is bound to grow faster and become more developed than those under capitalism. Reform is the only way to develop productive forces; it is by nature the self-refinement and development of socialism and is aimed at accelerating the growth of productive forces and all-round social progress to constantly add to the vigor and vitality of socialism. Our reform should always be socialist-oriented. It is our most important experience that reform and opening to the outside world must be integrated organically with continuous consolidation and perfection of the socialist system.

Upon the suggestion of Comrade Deng Xiaoping, our party summed up our past and more recent practical experience at the Third Plenary Session of the 11th Central Committee and then at the party's 12th and 13th National Congresses. And upon this basis, we have drawn the scientific thesis that China is in the primary stage of socialism, and formulated the basic line of taking economic construction as the central task, upholding the four cardinal principles and adhering to reform and opening to the outside world, and worked out a series of principles and policies that have proved effective. To combine the universal truth of Marxism-Leninism with China's actual conditions, go our own way, and build socialism with Chinese characteristics—that is our basic conclusion.

Two. China's Tremendous Achievements in Construction and Reform

China's reform started from the countryside and then proceeded into urban areas to cover all sectors. While it took only a few years for the rural reform to produce the desired result, an all-round reform of the economic system has proved to be much more complex and arduous. Reform is a great practice, and we are exploring our way ahead.

To achieve our party's goal, we have combined reform with development and worked out a three-step strategy for economic and social development:

- First, to take 10 years to double 1980's gross national product in terms of constant prices and solve the problem of inadequate food and clothing. We have accomplished this task ahead of schedule.
- Secondly, to quadruple 1980's GNP in terms of constant prices by the end of the century so that the people

nationwide could live a relatively comfortable life. We are now working hard toward this end.

—Thirdly, to make China's per capita GNP reach in general the level of moderately industrialized nations by the middle of the 21st century, basically realizing the socialist modernization.

During the 1980s, China's GNP increased by 136 percent and its national income by 131 percent in terms of constant prices. Considerable progress was also made in science and technology, education and culture, and the overall national strength grew further. The average level of consumption of the rural and urban residents went up by 80 percent after adjustment due to the price factor.

We made these tremendous achievements in the 1980s mainly because we carried out the reform of the economic system and opening to the outside world. The reform has brought about significant changes in the fabric of the economic system:

1) The single-sector system of public ownership of the past was gradually transformed into a system containing diverse economic sectors with public ownership as the main body. Over the past decade, we upheld the socialist public ownership as the mainstay and in the meantime encouraged an appropriate development of individual economic activities and the private sector in the urban and rural areas as well as enterprises with sole foreign investment and joint ventures. We gave the public ownership a principal part in the economy, while giving other economic elements a role that is supplementary and beneficial to the socialist economy. Such a policy is suited to the current level of productive forces in China and conducive to the development of the socialist planned commodity economy.

2) The single-mode system of distribution of the past was gradually changed to a system which is mainly "to each according to his work" and supplemented by other modes. This change is of great importance for eliminating egalitarianism and bringing into play the enthusiasm of working masses and various sectors of society. We allow and assist some people and areas to get well-off before others through honest labor and lawful operations; at the same time, we encourage those who have become well-off first to provide assistance to those still in poverty so as to achieve common prosperity and prevent a wide gap between the poor and the rich. Common prosperity and prevention of the polarization of society is an important principle of the socialist system; it also demonstrates the immense superiority of this system.

3) The excessively centralized system of planned economy of the past was gradually transformed into an economic system and an operational mechanism that combine a planned economy with market regulation and are suited to the development of a planned commodity economy based on public ownership. This is the important content of as well as the basic orientation toward deepening the reform of the economic system. We have

accumulated some experience in this respect, but continued efforts are still needed to explore specific ways and forms of restructuring in the course of practice.

We have made big strides in opening to the rest of the world on the basis of self-reliance, with the result that our foreign trade and economic and technological exchanges and cooperation with foreign countries have expanded rapidly. China's total volume of import and export in 1990 more than trebled that of 1980. We have established five special economic zones, opened 14 coastal cities, including Dalian, Tianjin, Shanghai and Guangzhou, set up 13 economic and technological development zones, as well as the economically open zones in the deltas of the Yangtze River and the Zhujiang River, the triangular region in the southern part of the Fujian Province, the Shandong Peninsula and the Liaodong Peninsula. Last year, we made a decision to open and develop the New Pudong Area of Shanghai. As a result, a nationwide pattern of opening to the outside world is taking shape by gradually advancing along the line of "special economic zones—coastal open cities—coastal economically-open zones—the interior."

While carrying out an all-round reform of the economic system, we have also conducted a reform of the political system with a view to ensuring the stability and unity of society, strengthening and perfecting socialist democracy and legal system, and bringing the socialist initiatives of the masses of people into play. The Chinese Communist Party is the force at the core for leading the Chinese people in their socialist modernization effort. The leading position of the Chinese Communist Party in the country came into being in history, and is stipulated by the Constitution and acknowledged by the Chinese people of all nationalities. Therefore, we have always adhered to and tried to improve the leadership of the party. We have strengthened and improved, and will continue to strengthen and improve, the system of the National People's Congress and the system of multi-party cooperation and political consultation under the leadership of the Chinese Communist Party, while establishing and improving the procedures and rules of democratic decision-making and democratic supervision, establishing a system of leadership that is conducive to improving work efficiency and firing the enthusiasm of all quarters, and restructuring institutions of state administration in line with the process of economic restructuring.

China's socialist modernization and reform is a protracted and arduous undertaking. We have made great achievements in socialist modernization and reform and opening up over the past 12 years, but some shortcomings and faults have also emerged in our practical work, they are chiefly:

—Neglecting political and ideological education for a time, while working hard for material progress, we failed to pull our weight in making cultural and ideological progress.

- Being eager to score a quick success in economic development and reform, which resulted in economic overheating.
- Excessive decentralization in some sectors of the national economy, which resulted in a weakening of the state's power of macroeconomic regulation and control.

The party made a timely and conscientious summing-up of our experience and lessons, strengthened the state's power of macroeconomic regulation and control, promoted ideological and political education among the broad masses, improved the economic environment, rectified the economic order and deepened the reform. Thanks to concerted efforts, we have brought the excessively high speed in industrial development and inflation under control.

At present, numerous contradictions and problems are still in store for us on our road of advance. To name a few: The deficiencies of the original economic system have not been eliminated completely, the economic results of some enterprises remain poor, the industrial structure is still irrational, the state is confronted with financial difficulties, and there still exist certain elements of instability in an overall political situation marked by stability and unity.

The achievements of the 1980s have further strengthened the faith of the Chinese people of all nationalities in socialist modernization and enhanced their will and confidence in overcoming difficulties.

Three. 1990s—A Crucial Decade for China's Socialist Modernization

The last decade of the 20th century is one of utmost importance to China. During the period, China is to achieve their objective for the second step of socialist modernization. We will continue to carry out the party's basic line steadfastly and in an all-round way and adhere to the socialist road and the policies of reform and opening to the outside world. China's economic and social development will be promoted through reform and opening to the outside world, while reform will deepen and the work of opening to the outside world will further expand in the course of development.

China's goal for deepening the reform of the economic system in the 1990s is to preliminarily establish a system of socialist planned commodity economy. We hold that both planning and market are the inherent requirements of the socialized mass production and the development of commodity economy. The planning we talk about here is not one dominated by administrative means to the exclusion of a role played by market mechanism, but one that is suited to the demand of the development of commodity economy and respects the law of value; the market we speak of is not one marked by free-wheeling and anarchism, but an orderly one that is guided by state planning and subjected to the state's macroeconomic regulation and control. We will continue our exploration

in this field and endeavor to create an operating mechanism of socialist commodity economy that combines planned economy with market regulation and conforms to China's actual conditions.

An important principle guiding China's economic construction is to maintain a sustained, stable and coordinated development of the national economy. Because China has a poor foundation to start with and is thickly populated, a comparatively fast economic development is required to achieve the strategic objectives of the second and third steps of socialist modernization. On the other hand, however, in order to avoid violent economic fluctuations and an unstable development, we must not be impatient for quick results and set an excessively high demand on the economic speed. In the next decade, China will maintain its economic growth at a moderate average annual rate of about six percent, and consistently center its economic work on the improvement of economic results. By so doing, we will be able not only to achieve our second-step objective and leave some leeway, but also to avoid violent economic fluctuations and maintain the coordination of the ratios among the major sectors of the national economy.

Agricultural development remains our top priority in the 1990s. Agriculture is the foundation of economic development, social stability and national independence. The problem of providing enough food for a population of over 1.1 billion can only be solved by ourselves through a correct policy plus unremitting efforts. To develop agriculture, we will continue to deepen the rural reform and popularize advanced science and technology in agriculture, increase agricultural input by the state, the localities, the collective units and the individual peasants.

Since the beginning of this year, China has started to implement the 10-Year Programme and the Eighth Five-Year Plan for National Economic and Social Development. Experience in the past 40 years and more tells us that the development of economy requires, first of all, a political situation of stability and unity. We maintain that stability is an overriding factor. Without a stable political situation, construction would be out of the question, and so would be reform. The Chinese people have learned from historical experience what would result from social turmoil in a big country like China. In case of turmoil, people would not be able to live and work in peace and contentment, the economy would collapse, a civil war would break out and the country would break up. Stability and unity are the prerequisite as well as the guarantee for economic development and reform, while economic development will, in return, promote and further develop a political situation of stability and unity.

In the new decade, we are still faced with the task of ultimately reunifying our motherland. Hong Kong and Macao will return to China in 1997 and 1999 respectively. We will firmly adhere to the policy of "one country, two systems" and work hard to advance the cause of peaceful reunification. Taiwan is an inalienable

part of the territory of the People's Republic of China; and the government of the People's Republic of China is the sole legitimate government representing the whole of China. We resolutely oppose any attempt aimed at creating "two Chinas", "one China, one Taiwan", "one country, two governments" or "independence of Taiwan;" we firmly oppose the so-called "elastic diplomacy" and "substantial diplomacy" pursued by the Taiwan authorities; and we firmly oppose any attempts by countries having diplomatic relations with the People's Republic of China to develop official ties with Taiwan or to conduct any contacts and exchanges of an official nature with Taiwan.

Four. China is in Need of a Peaceful International Environment

In carrying out socialist modernization, China is in need of a long-standing and stable international environment of peace. We have always regarded it our sacred cause to maintain world peace.

In the world today, political winds are ever changing and volatile and the international situation is marked by turbulence and instability. The old pattern of the world, which shaped up at the end of the Second World War, has disintegrated, but a new one is yet to take shape. The whole world is at a transitional period in which the old structure is being replaced by the new one. The international situation is characterized by relaxation at one time or in one place, but tension at another time or in another place. In a word, the world is far from being trouble-free.

People all over the world ardently hope for peace and aspire for development. Despite the host of problems facing the world today, we are deeply convinced that world peace can be maintained and the cause of development of mankind will eventually be carried forward through the common efforts of the people of all countries in the world.

China pursues an independent foreign policy of peace. No matter how the world situation changes, China will, at all times and under all circumstances, uphold independence, refrain from entering into alliance or establishing strategic relations with any big powers, and decide on its own position and policy on any international issue according to the rights and wrongs of the issue itself. China firmly supports whatever is conducive—and resolutely opposes whatever is detrimental—to the maintenance of world peace, the development of friendship and cooperation among nations, and global economic prosperity. China is willing to develop friendly and cooperative relations with all countries in the world on the basis of the Five Principles of Peaceful Coexistence. We make it the basic foothold of our foreign policy to strengthen and develop unity and cooperation with Third World countries.

China attaches great importance to developing good-neighborly relations with its surrounding countries. Sino-Soviet relations have further developed since the normalization of bilateral ties two years ago. We support

the Democratic People's Republic of Korea in its proposal for promoting the self-determined and peaceful reunification of Korea. We will continue to work actively with parties concerned for a relaxation of tension and stability on the Korean peninsula. Relations between China and India have seen a notable improvement; a steadily stable good-neighborly relationship between the two nations not only conforms to the fundamental interests of the two peoples, but also contributes to peace and stability in Asia as a whole. China's friendly and cooperative relations with Pakistan, Bangladesh, Nepal, Sri Lanka and Myanmar [Burma] are constantly expanding. China's friendly ties with Thailand, Malaysia and the Philippines have made considerable progress. China has always attached great importance to enhancing its friendship and relations of cooperation with Japan, and the peoples of the two countries share a common desire to live in peace and friendship from generation to generation. China has restored diplomatic relations with the Republic of Indonesia and established diplomatic ties with the Republic of Singapore, thereby opening up vast vistas for the development of friendship between China and these two nations. China is also expanding its exchanges and cooperation with the People's Republic of Mongolia and Laos. Thanks to the common efforts of the international community, the work for the political settlement of the Cambodian question has made a major progress. China is willing to work along with the international community and within the framework of relevant United Nations documents for a political settlement of the Cambodian question at an earliest possible date, a settlement that should be comprehensive, just and reasonable. With progress made in the political settlement of the Cambodian question, Sino-Vietnamese relations will also be normalized step by step. China will continuously strive for the improvement and development of its relations of friendship and cooperation with its surrounding countries and make positive contributions to maintaining peace and stability in Asia and across the world.

In order to foster normal international relations and ensure world peace in the 21st century, there is a need to establish a new international order. China stands for the establishment of a new international order on the basis of the Five Principles of Peaceful Coexistence. These principles are interrelated, but the most important one is non-interference in each other's internal affairs. While not seeking for hegemony itself, China is opposed to hegemonism and power politics in any form and is opposed to any country that wantonly interferes in the internal affairs of other countries and forces upon them its own political and economic systems and concept of values. There will be no tranquility in the world so long as hegemonism and power politics have not stepped down from the stage of history. China maintains that all countries in the world, big or small, rich or poor, strong or weak, are equal; China is adamantly against the big bullying the small, the rich oppressing the poor, and the strong lording itself over the weak. The internal affairs of a country should be managed by its own people, and

world affairs should be handled through consultations among all countries. A new international political order is closely linked with and inseparable from a new international economic order. Many years have passed since the idea of establishing a new international economic order was put forward, but the economic gap between the developed and developing countries is still widening, with the rich getting richer, the poor poorer, and the economic difficulties of many developing countries are deteriorating. Without elimination of the old international economic order, which is unjust and inequitable, and without economic development in the developing nations, world peace and stability can hardly be safeguarded.

Respected comrades, I stayed in your country for some time in the 1950s, which left me a fine impression. The Soviet Union is a great country, and the Soviet people are a great people. It is blessed with a vast territory, abundant resources, a long history, an excellent cultural tradition, advanced science and technology, and a solid industrial foundation. Your beautiful land has nurtured generations of revolutionaries, thinkers, scientists, men of letters and artists. The Soviet Union is the homeland of Lenin and the home of the October Revolution. During the Second World War, the Soviet people made prodigious national sacrifices and, along with the people of other countries, protected mankind from a greater catastrophe. People in the world will forever remember this great contribution made by the Soviet people to the history of world civilization. The tremendous achievements made by the Soviet people of all nationalities in their socialist construction in the past 70 years and more are undeniable.

The friendship between the Chinese and Soviet peoples goes back to ancient times. A normal development of Sino-Soviet relations is not only in keeping with the common desire and fundamental interests of the two peoples, but also beneficial to peace and stability in the Asia-Pacific region and to the betterment of international relations as a whole. The relations between our two countries have now entered upon a new stage. Let us make joint efforts to maintain and consolidate the good-neighborly relations between the two countries not only in this century but continuously in the 21st century.

May the great friendship between the Chinese and Soviet peoples develop steadily.

On New International Order

OW1705180091 Beijing XINHUA in English
1621 GMT 17 May 91

[Text] Moscow, May 17 (XINHUA)—Visiting Chinese Communist Party leader Jiang Zemin said today it is imperative to set up a new international order so as to foster normal international relations and ensure world peace in the 21st century.

"China stands for the establishment of a new international order on the basis of the Five Principles of Peaceful Coexistence," Jiang said.

Jiang, general secretary of the Communist Party of China, made the remark at a meeting in the Kremlin attended by more than 400 personnel from the Soviet academic society and other circles, including some Sinologists and activists engaged in Soviet-Chinese friendship.

He said that the Five Principles of Peaceful Coexistence are interrelated and the most important one is non-interference in each other's internal affairs.

"While not seeking for hegemony itself, China is opposed to hegemonism and power politics in any form and is opposed to any country that wantonly interferes in the internal affairs of other countries and forces upon them its own political and economic systems and concept of values," he said.

The general secretary warned that "there will be no tranquility in the world so long as hegemonism and power politics have not stepped down from the stage of history."

Jiang told his audience that "China maintains that all countries in the world, big or small, rich or poor, strong or weak, are equal; it is adamantly against the big bullying the small, the rich oppressing the poor, and the strong lording it over the weak."

He said the internal affairs of a country should be managed by its own people, and world affairs should be handled through consultations among all countries.

Jiang noted that a new international political order is closely linked with and inseparable from a new international economic order.

"Many years have passed since the idea of establishing a new international economic order was put forward, but the economic gap between the developed and developing countries is still widening," he added.

"Without elimination of the old international economic order, which is unjust and inequitable, and without economic development in the developing nations, world peace and stability can hardly be safeguarded," he said.

Satisfied With Progress

OW1705185491 Beijing XINHUA in English
1726 GMT 17 May 91

[Text] Moscow, May 17 (Xinhua)—Visiting Chinese Communist Party leader Jiang Zemin said here today that he was satisfied with the fresh progress made in Sino-Soviet relations in various fields over the past two years.

Jiang, who arrived here Wednesday for a five-day official visit, told a meeting in the Kremlin that the establishment and development of a long-standing, stable, good-neighborly and friendly relationship between China and

the Soviet Union conforms to the fundamental interests of the two peoples and the interests of peace and stability in the world.

He noted that the Sino-Soviet relations have now entered upon a new stage, and both sides should make joint efforts to maintain and consolidate their good-neighborly relations not only in this century but continuously in the 21st century.

Calling back the "historic meeting" between Deng Xiaoping and Soviet President Mikhail Gorbachev in Beijing two years ago, Jiang said that the Sino-Soviet relations have been able to develop "in a normal and healthy manner" over the past two years, because both sides have treasured and attached great importance to their normalized relations, he said.

He attributed the progress to the endeavors of both sides in following the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence in handling state-to-state relations.

The development also resulted from the efforts of both sides in abiding by the principles of independence, full equality, mutual respect and non-interference in each other's internal affairs in handling party-to-party relations.

In their future contacts, he said, the two countries will continue to follow these principles.

The general secretary said that the improvement and development of relations between China and the Soviet Union is not directed at any third party, nor at any other country.

While conceding the two sides have divergent views on some issues due to their differences in historical background, social conditions and the level of economic and cultural development, Jiang stressed the important thing is that such differences should not be allowed to affect the development of normal state-to-state relations.

In his speech, the Chinese party leader noted that the Soviet Union has nurtured generations of revolutionaries, thinkers, scientists, men of letters and artists, and it is the homeland of Lenin and the home of the October Revolution.

"I stayed in your country for some time in the 1950s, which left me a fine impression," Jiang said.

Jiang also praised the Soviet people for their "prodigious national sacrifices" in the Second World War. "People in the world will forever remember this contribution made by the Soviet people to the history of world civilization," he added.

In the past two days, Jiang held talks with Gorbachev and other Soviet state and Communist Party leaders. They exchanged views extensively on the development

of bilateral relations and on the current international situation and issues of common concern.

The leaders of the two countries also briefed each other on the domestic situation and the process of reform in their respective countries.

Holds News Conference

OW1705170491 Beijing XINHUA in English
1608 GMT 17 May 91

[Text] Moscow, May 17 (XINHUA)—Visiting Chinese Communist Party General Secretary Jiang Zemin told reporters here today, "I think my visit has realized the goal of promoting good-neighborly and friendly relations between China and the Soviet Union."

At a press conference held at the press center of the Soviet Foreign Ministry this afternoon, Jiang said he exchanged views with his Soviet counterpart Mikhail Gorbachev on bilateral relations and on issues of common concern in the past three days.

The two leaders also briefed each other on their domestic situation and reached consensus that Sino-Soviet relations should be enhanced on the basis of the Five Principles of Peaceful Coexistence, Jiang said.

The Chinese party leader noted that the two sides have a lot in common on international issues which will be reflected in the joint communique to be released soon.

Jiang arrived here on Wednesday for a five-day visit to the Soviet Union.

Discusses Soviet-Japanese Ties

OW1705205091 Beijing XINHUA in English
2006 GMT 17 May 91

[Text] Moscow, May 17 (XINHUA)—Visiting Chinese Communist Party leader Jiang Zemin said here today that Soviet President Mikhail Gorbachev's recent visit to Japan is conducive to peace and stability in Asia and the Pacific region.

The visit has pushed forward the relations between the Soviet Union and Japan, Jiang told reporters at the press center of the Soviet Foreign Ministry late Friday.

However, the Chinese party leader said he had not discussed the Soviet-Japanese ties in his talks with Soviet leaders.

Jiang Zemin is here on the third day of his five-day official visit to the Soviet Union, a return visit to Gorbachev's Beijing trip in May 1989.

Stresses Independent Policy

OW1705185691 Beijing XINHUA in English
1742 GMT 17 May 91

[Text] Moscow, May 17 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central

Committee, said that China follows a foreign policy of independence and peace, both before and after the Gulf war.

Jiang, who is on the third day of his official visit in the Soviet Union, made the statement at a press conference here this afternoon.

He said that in this world, all countries should make their efforts towards peace and development.

Says Trip Goals Fulfilled

HK1805093791 Beijing ZHONGGUO XINWEN SHE in Chinese 0841 GMT 18 May 91

[Report: "Jiang Zemin Says He Has Fulfilled Expected Target in His Visit to the Soviet Union"—ZHONGGUO XINWEN SHE headline]

[Text] Moscow, 17 May (ZHONGGUO XINWEN SHE)—At a news conference this afternoon, CPC General Secretary Jiang Zemin said that during his current visit to the Soviet Union he had fulfilled [da dao 6671 0451] the expected target of promoting good-neighborly and friendly relations between China and the Soviet Union.

In answer to an American reporter's question "whether he had discussed an arms deal," Jiang Zemin replied: "Since the normalization of Sino-Soviet relations in 1989, our two countries and two parties have conducted normal exchanges, and cooperation has also proceeded smoothly in all fields. It is normal for the two countries' armed forces to carry out exchanges. But I did . . . A talk about military cooperation with the Soviet Union during my current visit."

While noting that an agreement had been signed regarding the eastern section of the Sino-Soviet border, a Russian Television Studio reporter asked when an agreement will be signed regarding the western section of the Sino-Soviet border. Jiang Zemin said: The agreement on the eastern section of the Sino-Soviet border was an outcome of both sides' prolonged negotiations. Abiding by the spirit of the agreement on the eastern section, both sides will continue to engage in friendly consultations [you hao xie shang 0645 1170 0588 0794] through mutual understanding and accommodation [hu liang hu rang 0062 6146 0062 6245]. Other problems concerning the border will be resolved.

In answer to a Moroccan reporter's question on Soviet-Japanese relations, Jiang Zemin replied: I am glad that President Gorbachev paid a formal visit to Japan not long ago. The improvement of Soviet-Japanese relations is beneficial to the stability of Asia and the Pacific region. But we did not deal with this issue during our talks.

At the beginning of the news conference, Jiang Zemin said that both sides' views on international issues are similar or close [xiang tong huo xiang jin 4161 0681 2057

4161 6602] to each other. All this will be embodied in a Sino-Soviet joint communique to be published soon.

Lauds Relations

OW1805013991 Beijing XINHUA in English 0048 GMT 18 May 91

[Text] Moscow, May 17 (XINHUA)—Chinese Communist Party leader Jiang Zemin said here today both China and the Soviet Union agreed to promote bilateral relations of friendship and cooperation on the basis of the five principles of peaceful coexistence.

He told reporters at a press conference held at the press center of the Soviet Foreign Ministry that he and Soviet President Mikhail Gorbachev agreed in their talks to further advance such relations.

"The ties of the two peoples could go back to ancient times," he said, "I have come here to further push forward the good-neighborly and friendly relations between the two nations."

Jiang said that the relations between the two countries and the two parties have been normalized since the summit meeting between Deng Xiaoping and Gorbachev in Beijing in May 1989.

In response to a question raised by a Soviet reporter on whether the Sino-Soviet relationship had been restored to the one as in the 1950s, Jiang Zemin stressed that the normalization of relations means that the relationship is neither the one as experienced in the 1950s nor the one of confrontation as in the 1960s and 1970s.

Since normalization of bilateral ties, the Chinese party leader said, the exchanges between the two countries and the two parties have been normal, so has been the military exchange between the two sides.

He reiterated that the development of Sino-Soviet relations not only conforms to the fundamental interests of the two peoples, but is also conducive to peace and stability in the world.

Jiang is here on the third day of his five-day official visit to the Soviet Union.

Discusses Border Negotiations

OW1705190091 Beijing XINHUA in English 1737 GMT 17 May 91

[Text] Moscow, May 17 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, said here today that the agreement on the eastern section of Sino-Soviet border is a result of long-time negotiations.

The Chinese party leader said this at a press conference held at the press center of the Soviet Foreign Ministry.

In response to a question raised by a Soviet television reporter, Jiang said it is his belief that the issues concerning the western section of the Sino-Soviet border

would be solved in the spirit of the agreement reached between the two sides and through friendly consultations.

Jiang arrived here on Wednesday for a five-day official visit to the Soviet Union.

Soviet TV Carries Speech

*HK2005095491 Beijing RENMIN RIBAO in Chinese
19 May 91 p 6*

[Report: "Jiang Zemin Address at Soviet Central Television Station"]

[Text] Moscow, 17 May (RENMIN RIBAO)—Jiang Zemin, visiting general secretary of the CPC Central Committee and chairman of the Central Military Commission of the PRC, made an address carried by the Soviet Central Television Station this evening. The full text is as follows:

Comrades, friends:

Good evening! I would like to express my thanks to the Soviet Central Television Station for giving me this opportunity to meet you all. First of all, on behalf of the Chinese people of all nationalities, I would like to extend my most cordial greetings and best wishes to the Soviet people of all nationalities.

As everyone knows, two years ago, the Chinese and Soviet leaders held a summit meeting in Beijing, which attracted worldwide attention. That summit meeting "terminated the past and opened up the future," and effected the normalization of Sino-Soviet relations. Since then, there has been a marked development in our exchanges and cooperation in the political, economic, scientific and technological, cultural, military, and other spheres. I have come to your esteemed country for a formal visit at President Gorbachev's invitation. It is both a return visit and a continuation of the Beijing summit. Its purpose is to give a new impetus to the increasing development of Sino-Soviet relations. Over the past few days, I have fully exchanged ideas with President Gorbachev and other Soviet leaders on bilateral relations and important international issues of mutual interest. The talks were fruitful, and helped us deepen our mutual understanding. Both sides expressed satisfaction with the healthy and stable development of relations between the two countries and the two parties over the past two years. Both sides agree that enormous potential and bright prospects exist for exchanges and cooperation between China and the Soviet Union in all spheres. We are pleased with this visit's complete success.

There exists deep and long-standing friendship between the Chinese and Soviet peoples. Even during the difficult years which tested the relations between the two countries, the sentiments of sincere friendship between the two peoples never changed. The Chinese people will never forget the support and help given to us by the Soviet people, and will always remember those Soviet comrades who contributed their own talents and even

their lives for the Chinese people's cause of revolution and construction. The Soviet people may rest assured that the CPC and the Chinese Government and people will continue to nurture the tree of friendship with care and diligence, so that it may grow more luxuriant and ever green.

During this visit, the Soviet leaders and I exchanged information on the state of affairs in our own countries and opinions on issues of mutual interest. Such friendly, frank, and sincere conversations are quite useful for both sides. We agree that matters in each country should be resolved by its people themselves, independently and with the initiative in their own hands, taking their national conditions into account. We see the Soviet Union now facing a complicated, difficult period. It is our heartfelt wish and conviction that the great Soviet people, who have made important contributions to the progress of mankind and have glorious revolutionary traditions, will be able to surmount the present temporary difficulties and win the final victory in socialist reform and development.

At present, international affairs are in a complicated period of new structures replacing the old. The people of all countries are yearning to establish a just and rational international political and economic new order. During our talks, both sides exchanged opinions on the international situation and important international issues, which strengthened mutual understanding. As everyone knows, the Chinese Government unflinchingly adopts an independent and peaceful foreign policy. China is prepared to build and develop relations of friendship and cooperation with all countries of the world on the basis of the Five Principles of Peaceful Coexistence. China and the Soviet Union, as two big neighbors, as well as permanent members of the UN Security Council, bear a great responsibility for the maintenance of world peace. The development of normal relations of good-neighborly and mutual-benefiting cooperation between China and the Soviet Union is in keeping with the fundamental interests of the peoples of both countries, and with the interests of the maintenance of peace and stability in Asia and throughout the world. China is prepared, together with the Soviet Union and with all other countries of the world, to make unremitting efforts to establish a new, just, and rational international order.

Comrades, friends! My colleagues and I have spent three happy days in your esteemed country. Everywhere we went, we were accorded lavish hospitality by the Soviet Government and people. I would like to take this opportunity to express once again our profound gratitude to you. I hope that friendship between the Chinese and Soviet peoples will flow restlessly like the waters of the Chang Jiang and the Volga River. I wish prosperity to the Soviet Union and happiness to its people.

Wraps Up Moscow Segment

*OW1805124391 Beijing XINHUA in English
1232 GMT 18 May 91*

[Text] Moscow, May 18 (XINHUA)—Chinese leader Jiang Zemin left here today for Leningrad after concluding a three-day visit to Moscow during which he held two rounds of talks with Soviet President Mikhail Gorbachev on bilateral relations and major world issues.

During his stay in Moscow, the Chinese Communist Party leader also met with Supreme Soviet President Anatoliy Lukyanov and Prime Minister Valentin Pavlov on separate occasions.

The Chinese and Soviet sides also signed an agreement on the eastern section of the border between the two countries.

"I think my visit has realized the goal of promoting good-neighborly and friendly relations between China and the Soviet Union," Jiang told a press conference on Friday.

Gorbachev held a ceremony in the Kremlin here this morning to see off Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, during which Jiang expressed thanks to Gorbachev and the Soviet people for their hospitality.

The two leaders bid farewell to each other at the Kremlin gate decked with national flags of the two countries.

After the ceremony, the Chinese guests, escorted by the motorcade, left for the airport to continue their trip to Leningrad, the cradle of the October Revolution.

At the airport, where the national flags of the two countries were fluttering, Jiang Zemin, accompanied by Soviet Deputy President Gennadiy Ivanovich Yanayev, reviewed a guard of honour of the Soviet Armed Forces.

The Chinese guests were also seen off at the airport by Deputy General Secretary of the Soviet Communist Party Vladimir Antonovich Ivashko, Soviet Foreign Minister Aleksandr Bessmertnykh and Defence Minister Dmitriy Yazov.

Arrives in Leningrad

*OW1805130491 Beijing XINHUA in English
1256 GMT 18 May 91*

[Text] Leningrad, May 18 (XINHUA)—Chinese Communist Party leader Jiang Zemin arrived here from Moscow at noon today to start the last leg of his five-day official visit to the Soviet Union.

During his three-day stay in Moscow, Jiang had successful talks with Soviet President Mikhail Gorbachev and other Soviet leaders on bilateral relations, the international situation and issues of common concern.

Jiang, general secretary of the Chinese Communist Party Central Committee, was met at the airport by Anatoliy

Sobchak, chairman of the Executive Committee of the City Soviet of Leningrad; Boris Gidaspoz, first secretary of the Leningrad Regional Committee of the Soviet Communist Party; Yuriy Yarov, chairman of the Executive Committee of the regional Soviet of Leningrad and Victor Samsonov, commander of the Leningrad Military District and other local officials.

Valentin Falin, member of the Secretariat of the Soviet Communist Party Central Committee, and Soviet Ambassador to China Nikolay Solovyev accompanied Jiang to Leningrad.

Jiang's entourage also arrived here.

Chinese Consul General to Leningrad Zhang Weichao and representatives of the Chinese students studying here were also present to greet Jiang.

On his way to the guest house, Jiang Zemin presented a basket of flowers to the monument to the battle of defending Leningrad during the Second World War.

He also visited the memorial hall in honor of the Leningrad defenders and was given an account on how the people of Leningrad defended the city during the 900 days of encirclement by the German fascist invaders.

Before leaving the hall, the Chinese Communist Party leader wrote an inscription in an autograph album, reading: "Their heroic exploits are an immortal monument."

Jiang is expected to have talks with Sobchak this afternoon.

Meets Leningrad's Sobchak

*OW1805182991 Beijing XINHUA in English
1657 GMT 18 May 91*

[Text] Leningrad, May 18 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin talked with Anatoliy Sobchak, chairman of the Executive Committee of the Soviet of People's Deputies of Leningrad City, here this afternoon.

Jiang said it is a pleasing fact that Leningrad and China's leading industrial and commercial city of Shanghai became sister cities when he was mayor of Shanghai.

"At that time I was invited on many occasions to visit Leningrad, but opportunity did not come to me. Now I am here, I have fulfilled my wish," Jiang said.

He hoped that Leningrad would have more exchanges with Shanghai.

Speaking of his impressions on his visit to the monument to the battle of defending Leningrad earlier today, Jiang expressed admiration for the Leningrad people's immortal contributions during the anti-fascist war.

Sobchak said the people in Leningrad are displaying great interest in the current Sino-Soviet high-level meetings, as well as in the achievements of China's economic reform.

The Leningrad people hope for constant growth of Sino-Soviet ties and of the exchanges with Shanghai, Sobchak added.

He told Jiang that a Chinese restaurant and a department store will soon open in the city, both of them joint ventures of Leningrad and Shanghai.

Further on Leningrad Meetings

OW 2605012591 Beijing XINHUA Domestic Service
in Chinese 1246 GMT 19 May 91

[“Jiang Zemin Meets With Leader of the Leningrad Regional Party Committee (By reporter Tang Xiuzhe 0781 0208 0772)”—XINHUA headline]

[Text] Leningrad, 19 May (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, met with Boris Gidasov, first secretary of the Leningrad Regional CPSU Committee, and other leading committee members, at Moscow's Smolny Palace this morning.

Gidasov briefed Jiang Zemin on the operation of the Leningrad Party Committee and the tasks confronting it.

Comrade Jiang Zemin said: “The CPC and the Chinese people have profound feelings toward Leningrad. They have high respect for the heroic city for its great contributions to the October Revolution and the antifascist war. Following the normalization of Sino-Soviet relations, bilateral ties have been developing and expanding in all areas. Party organizations in Leningrad and Shanghai also have established direct contacts. All this is helpful to promoting the mutual understanding and traditional friendship that already exists between the peoples of our two countries.”

General Secretary Jiang also gave a brief report on the Eighth Five-Year Plan and the 10-Year Program, which China drew up not long ago.

Jiang Zemin pointed out: “I am convinced that the Soviet people, who have glorious revolutionary traditions, certainly can surmount all difficulties and continue to march forward, despite the complex and difficult situation confronting them.”

Gidasov said: Communists in the Leningrad region follow with great interest the reforms now underway in China and are pleased with the successes China has achieved. Although the situations in the Soviet Union and China are different, China's experiences will be useful for the Soviet Union.

The leader of the Leningrad regional CPSU Committee added: A Russian proverb says that “people always should link useful things with pleasant things.” Our communist party always gives priority to useful things. This is a trait shared by the Soviet and Chinese Communist Parties.

Present at today's meeting were Valentin Falin, secretary of the CPSU Central Committee and chief of its International Department, who accompanied Comrade Jiang Zemin on his visit to Leningrad; and Soviet Ambassador to China Solovyev.

After Comrade Jiang Zemin and his party arrived at the Smolny Palace, he placed a bouquet at Lenin's statue at the courtyard. After meeting the leaders of party organizations in Leningrad, Jiang Zemin, in the company of Gidasov, toured the office and living room in the Smolny Palace in which Lenin worked and lived for 127 days.

The palace, which used to be a middle school for females of the nobility, became the headquarters where Lenin launched and led the armed uprising during the proletarian struggle in October 1917. Following the success of the October Revolution, Lenin signed here the Peace Statute and the Land Statute, the two earliest statutes of the Soviet Government; assembled the newly established Commissariat to decide on state affairs; and met representatives from various parts of the country.

While touring Lenin's office, Comrade Jiang Zemin carefully examined Lenin's handwritten scripts displayed on a desk, and then wrote this message in the visitors' book: “The light of Leninism illuminates all ages.”

During the tour, Comrade Jiang Zemin also granted an interview to reporters of the Leningrad Television Station and the party newspaper. He told the Soviet reporters about his feelings about visiting Leningrad, and asked the reporters to convey the Chinese people's friendship and best regards to Leningrad's residents.

Local Officials Host Dinner

OW1905194991 Beijing XINHUA in English
1739 GMT 19 May 91

[Text] Leningrad, May 19 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin was honoured at a dinner given by the Leningrad City Soviet and the Leningrad Regional Committee of the Soviet Communist Party here this evening.

Proposing a toast, Anatoliy Sobchak, chairman of the Leningrad City Soviet, praised the Chinese people for their great contributions to the culture of humanity.

He noted that Soviet-Chinese relations have stood the test of time and are developing continuously.

The Soviet people sincerely hope for stronger ties with the Chinese people, Sobchak said.

The Soviet Union and China, he said, should exchange experience in their common efforts to develop economy and improve the people's living conditions.

In this respect, Leningrad and Shanghai have set an example, he said.

He called for greater efforts by the two sides to promote cooperation in science, culture and education.

In reply, Jiang Zemin praised Leningrad as a monument to the revolutionary glory of the country.

"It is the birthplace of three Russian revolutions and the cradle of the Soviet state. As known to almost every Chinese family, Marxism and Leninism were introduced to China along with the first gunshot of the Aurora cruiser," Jiang said.

"The soul-stirring heroic exploits of the Leningrad people against fascism during the Second World War, which displayed noble aspirations and valour and moved one to song and tears, have won the respect of the people all over the world," the Chinese Communist Party leader said.

He noted that Leningrad is also the confluence of Russian and Soviet cultures, the home of not a few renowned men of letters and thinkers.

Both Russian and Soviet cultures have played significant roles in the formation and development of the friendly ties between the Chinese and Soviet people, he said, adding that the immortal works of Pushkin, Tolstoy and Gorky are held in high esteem in China as gems of the art of the world.

Jiang expressed the hope that the people of the two sister cities, Leningrad and Shanghai, will constantly expand the fields and channels of their friendly cooperation in their common pursuit for development and prosperity.

Visit Termed 'Success'

OW1905171191 Beijing XINHUA in English
1628 GMT 19 May 91

[Text] Leningrad, May 19 (XINHUA)—Chinese Communist Party leader Jiang Zemin said here today his talks with Soviet leader Mikhail Gorbachev in Moscow was a success and their meeting would help advance Sino-Soviet relations further.

Jiang made the statement at a dinner in his honour given by the Leningrad City Soviet and the Leningrad regional committee of the Soviet Communist Party here this evening.

Jiang said that Sino-Soviet relations have re-embarked on a sound road of development after experiencing twists and turns.

The past two years have witnessed a maintenance of contacts and links between the two countries and their communist parties, mutual visits by experts and scholars, and frequent contacts between people's organizations, he said.

In short, he said the ties of friendship and cooperation between the two countries have been advancing smoothly in all fields.

He went on to say that there is a long history of friendship between the Chinese and Soviet people and there are great potentials and good prospects for Sino-Soviet cooperation.

"It is the common wish of the people of our two countries to enhance cooperation, which is not only necessary to China and the Soviet Union, but also in line with the wish of the world people to secure peace and development, Jiang stressed.

Joint Communiqué Issued

OW1905130691 Beijing XINHUA Domestic Service
in Chinese 1008 GMT 19 May 91

[Sino-Soviet communiqué on conclusion of Jiang Zemin's visit to the Soviet Union, issued in Moscow on 19 May]

[Text] Moscow, 19 May (XINHUA)—1. Jiang Zemin, general secretary of the Central Committee of the Communist Party of China and chairman of the Central Military Commission of the People's Republic of China, paid an official visit to the Soviet Union from 15 May to 19 May 1991 at the invitation of M.S. Gorbachev, president of the Union of Socialist Soviet Republics and general secretary of the Central Committee of the Communist Party of the Soviet Union.

Jiang Zemin and M.S. Gorbachev exchanged views with each other on all aspects of Sino-Soviet relations and on urgent international issues of common concern in an atmosphere of friendliness [you hao 0645 1170] and frankness [tan shuai 0982 3764] and of seeking truth from facts [qiu shi 3061 1395].

During the visit, Jiang Zemin also met with A. I. Lukyanov, chairman of the Supreme Soviet of the Soviet Union; and with V.S. Pavlov, prime minister of the Soviet Union. The distinguished Chinese guests visited Leningrad.

2. This meeting between the Chinese leader and the Soviet leader was a continuation of the May 1989 summit meeting between Deng Xiaoping and M.S. Gorbachev. The two sides made a high appraisal of the great significance of the normalization of Sino-Soviet relations, and reaffirmed that they will continue to abide by the agreements reached at the Beijing meeting and the various principles expounded in the "Sino-Soviet Joint Communiqué" of 18 May 1989. The two sides pointed out with satisfaction that after having made joint efforts, the friendly and cooperative relations between the two countries are developing steadily in the political, economic and trade, scientific and technological, cultural and military and other fields.

Both sides treasure the achievements already made and will take a further step to develop their friendly, good-neighboring, mutually-beneficial and cooperative relations. This not only conforms to the interests and aspirations of the peoples of the two countries, but also helps maintain world peace and stability.

3. The constantly strengthened ties between the Communist Party of China and the Communist Party of the Soviet Union are playing an important role in overall Sino-Soviet relations. The last 2 years have proven that the exchange of information, views, and party work

experience under the present conditions is beneficial. In the days to come, the two parties will continue their exchanges in accordance with the principle of independence, complete equality, mutual respect, and mutual non-interference in each other's internal affairs.

4. China and the Soviet Union appraise positively the expanding scope and diversifying forms of bilateral economic and trade ties. There exist mutual complementarity and considerable potential for cooperation in the economic sphere between the two countries. The two countries will continue making efforts to fulfill their long-term program for economic and scientific and technological cooperation and other agreements in this field. The two countries will expand comprehensive and mutually-beneficial cooperation; develop direct and border contacts between China's provinces, autonomous regions, municipalities, and enterprises and the Soviet Union's republics, border regions, oblasts, and enterprises; and ensure that central organs will support them. The two countries will develop cash trade, and support the adoption of various commonly used trade forms of the world. Both sides state that they will actively explore new ways and new methods of economic cooperation, as well as the possibility of entering into cooperation with third countries in economic projects. Both sides are willing to comprehensively exchange economic and scientific and technological information, as well as economic reform experience. Both sides will continue making concerted efforts to achieve greater success in developing their economic and trade cooperation on the basis of equality and mutual benefit.

5. China and the Soviet Union will promote contacts between their citizens and develop exchanges and cooperation between their legislatures, ministries, commissions, and social organizations. The two sides will strive to further develop scientific and cultural exchanges and strengthen their ties in educational, sports, and other fields.

The two sides decided through consultation that they will promote exchanges and cooperation in the legal sphere and will formulate and sign agreements on judicial assistance in dealing with civil and criminal cases. Competent authorities of China and the Soviet Union will cooperate in the struggle against organized crime, international terrorism, drug trafficking, smuggling, and other criminal activities. Exclusive discussions will be held on ways and measures for cooperation in this regard.

6. The two sides affirmed the positive developments in boundary negotiations between the two countries and the necessity of securing the results in the form of treaty and law. They welcomed the signing of the agreement on the eastern section of the boundary. In the spirit of the "Sino-Soviet Joint Communiqué" of May 1989, the two sides will continue to gear up negotiations on the sections that have not been fixed in order to achieve a just and reasonable solution of the Sino-Soviet boundary issues left by history.

Both sides pointed out that the "Agreement on Guiding Principles for Mutual Reduction of Military Forces Along the Sino-Soviet Boundary and for Strengthening Confidence in the Military Field" has contributed positively to maintaining tranquillity and stability along the boundary and enhanced the mutual trust between the two countries. The two sides will continue their active negotiations so as to achieve practical results.

Both sides stated that the armies of the two countries will maintain normal and friendly contacts.

7. The Chinese side reiterated that the Government of the People's Republic of China is the sole legitimate government representing all of China, that Taiwan is an inalienable part of Chinese territory, and the Chinese side firmly opposes any attempt or action aimed at creating "two Chinas," "one China and one Taiwan," "one country and two governments," or "Taiwan independence."

The Soviet Union supports this position held by China.

8. The Chinese and Soviet leaders briefed each other on the current political, social, and economic situation in their respective countries. They held that constant exchanges of views on these issues are beneficial, and that disparities in certain viewpoints and difference in practice between the two sides are natural and will not impede the normal development of their bilateral relations.

Both sides pointed out that it is hard to avoid difficulties and contradictions in the course of development of socialism as a new social system. Proceeding from the reality of their own countries, both sides held that reform is necessary in order to carry forward the potential of socialism, that maintaining national and social stability is a major prerequisite for reform, that there is no unified formula for reform, and that the people of all countries have the right to independently decide the affairs of their own countries on the basis of their national conditions.

9. Mikhail S. Gorbachev gave an account of the efforts made to retain the Soviet Union as a reformed sovereign union of republics and the new union treaty to be signed shortly. The Chinese side expressed understanding of the importance of energetically solving this question.

10. The Chinese and Soviet leaders exchanged views on major issues concerning the current international situation. They held that improvement of Soviet-U.S. relations, progress in disarmament, and the easing of some regional conflicts or the appearance of prospects for their political solution are positive changes in the international situation. Meanwhile, both sides pointed out that under the circumstances of interwoven contradictions, the world situation is far from stable. Both sides expressed concern over the irrational international economic relations, in particular the widening of the gap between developing and developed countries; the increasingly serious problem of debts; and the worsening of international trade conditions. Both sides will make continued efforts to expedite the processes of normalization of the international situation, reduction of arms, and

solution of regional conflicts. The two sides reiterated that both China and the Soviet Union will not seek hegemony in the world and, at the same time, will oppose any form of hegemonism in international politics.

11. China and the Soviet Union attach great importance to strengthening their good-neighborly relationship, multilateral cooperation, and security and stability in the Asian-Pacific Region, and maintain that this is favorable to peace and development of all countries in this region and the world. Certain positive changes have taken place in this region in recent years, while there are still destabilizing factors, and hot spots and conflicts that have not been solved also exist. Both sides believe that political and economic issues involving the common interests of the Asian-Pacific countries should be solved through political dialogues and consultations on an equal footing.

China and the Soviet Union are ready to make common efforts to turn the Asian-Pacific Region into an open, cooperative and prosperous region.

12. Both sides hope for the earliest possible complete, just and reasonable solution to the Cambodian issue; maintain that the framework document of the five permanent members of the UN Security Council constitutes a good foundation for achieving a complete political solution to the Cambodian issue; support the efforts of the two chairmen of the Paris International Conference on the Cambodian Issue and of the UN secretary general; and appeal to all Cambodian parties to reach an agreement for complete solution of the Cambodian issue as soon as possible on the basis of the aforementioned document.

13. China and the Soviet Union maintain that easing the situation on the Korean peninsula is of great importance to security and stability in Northeast Asia. Both sides welcome the recent positive changes on the Korean peninsula, and reaffirm support for the northern and southern sides of Korea to achieve peaceful reunification of Korea through dialogue and consultation. They hope that the northern and the southern sides of Korea will continue to hold dialogue to further improve mutual relations, and appeal to all parties to avoid taking any actions that might hamper relaxation of the situation on the peninsula and peaceful reunification of Korea.

14. Both sides observe with deep concern the developments in the Gulf region and the Middle East as a whole, and maintain that it is imperative to overcome the consequences of the recent Gulf conflict as soon as possible. Both sides maintain that matters in that region should be solved mainly through negotiations by the nations and people in that region.

China and the Soviet Union are worried that the Mideast issues are still not yet solved. The international community, particularly the United Nations, should take a more active part in establishing peace and stability in this region, and adopt practical measures to implement UN resolutions on Mideast issues to arrive at a fair and lasting solution. As permanent members of the UN Security Council, China and the Soviet Union will

continue to devote themselves to complete solution of Mideast issues, including the Palestinian issue.

15. Both sides note that if the Soviet Union and the United States can achieve results in the talks on reducing offensive strategic weapons and implement the agreement accordingly, it will be of positive significance to consolidating world security, and will lay the groundwork for future measures that may lead to the final complete, thorough destruction of nuclear weapons. Both sides advocate the formulation of the convention for complete banning and thorough destruction of chemical weapons as soon as possible, advocate enhancing the effectiveness of the convention on banning biological weapons, and reaching agreement on freeing outer space of weapons.

16. China and the Soviet Union advocate a stronger role for the United Nations in creating peaceful conditions for the people of all countries and in providing protection for stability and security for all nations. As permanent members of the UN Security Council, the two countries are ready to join other countries in increasing that organization's efficiency, so that it will play a more active role in international affairs and in solving economic, social, population, ecological and other global issues.

17. Both sides advocate the establishment of a new and just international political and economic order, which is favorable for mankind's development, in accord with the interests of world peace, and reflects the common aspirations of all peoples in the world.

This order should be established on the basis of universal principles on state-to-state contacts, which are: mutual respect for each other's sovereignty and territorial integrity, non-aggression, non-interference in each other's internal affairs, equality, mutual interests, and peaceful coexistence.

Each country has the right to choose its social system, ideology, economic system and path of development according to its characteristics. The differences in this regard should not hinder normal relations and cooperation between various countries. Countries, be they big or small, strong or weak, poor or rich, all have the right of equality when taking part in discussion and solving world affairs.

International disputes should be resolved through the means of peaceful negotiations. In state-to-state relations, there should be no imposition of will, no use of force and no threat regarding use of force.

For the sake of common development and prosperity, nations in the world should, on the basis of equality and mutual interests, develop economic ties, and establish just international economic relations. When providing aid, there should be no attachment of political conditions.

The formation of a new international order is a long and complex process. The active participation of all members of the international community, respect for the UN

Charter, and enforcement of recognized standards of international law are conditions for establishing a new international order.

China and the Soviet Union will, along with other countries, continuously make efforts in establishing a new international order.

18. Chinese and Soviet leaders accorded high appraisal to the results of meeting. The relations between China and the Soviet Union, between the Communist Party of China and the Communist Party of the Soviet Union, and the traditional friendship between the people of the two countries are in the process of turning a new page. Leaders of the two countries are satisfied with this.

Both sides unanimously held that the political contacts and dialogue between the leaders of the two countries are important and beneficial; such contacts and dialogue will be continued in the future.

Jiang Zemin expressed his thanks for the warm reception accorded by the Soviet side. He also invited Mikhail Gorbachev to visit China at his convenience.

Mikhail Gorbachev expressed thanks for this and accepted the invitation.

[Signed] 19 May 1991; Moscow

'Identical Views' Documented

*OW1905114491 Beijing XINHUA in English
1127 GMT 19 May 91*

[Text] Moscow, May 19 (XINHUA)—China and the Soviet Union issued a joint communique today at the end of Chinese Communist Party General Secretary Jiang Zemin's five-day official visit to the Soviet Union.

The communique said the meeting between the Chinese and Soviet leaders is a continuation of the summit meeting between Deng Xiaoping and Soviet President Mikhail Gorbachev in May, 1989.

The two countries highly evaluated "the great significance of the normalization of Sino-Soviet relations and reaffirmed that they will continue to abide by the agreements reached at the Beijing meeting and the various principles expounded in the 'Sino-Soviet Joint Communique' dated May 18, 1989," it said.

It stressed that both sides treasured the achievements already made and expressed "readiness to further develop the relations of friendliness, good-neighbornliness, mutual benefit and cooperation." "This not only accords with the interests and aspirations of the peoples of the two countries, but also contributes to the maintenance of peace and stability in the world."

The communique said the ever-strengthening ties between the communist parties of China and the Soviet Union play a significant role in the overall Sino-Soviet relations. "Contacts between the two parties in the future will be conducted continuously in accordance

with the principles of independence, full equality, mutual respect and non-interference in each other's internal affairs," it said.

China and the Soviet Union have agreed to expand economic and trade exchanges between them, and the economies of the two nations are complementary to each other and have a remarkable potential for further cooperation, according to the communique.

It noted that the two sides shared identical views on socialism, expressing the belief that "as a new social system, socialism can hardly avoid difficulties and contradictions in its development."

Both sides held that "reform is necessary for tapping the potential of socialism" and "one important pre-requisite for reforms is to maintain stability of the state and society," the communique said.

It said, "the Chinese side reiterated that the Government of the People's Republic of China is the sole legitimate government representing the whole of China and Taiwan is an inalienable part of the territory of the PRC. The Chinese side resolutely opposed any attempts or moves to create 'two Chinas,' 'one China, one Taiwan,' 'one country with two governments' or 'an independent Taiwan.' The Soviet Union supported this stand of the PRC."

The Chinese and Soviet leaders exchanged views on major international issues of common concern, according to the communique.

They agreed that the improvement of Soviet-U.S. relations, the progress made in the field of disarmament, the relaxation of some regional conflicts or the emergence of prospects for their political settlement are positive changes in the international situation.

However, they warned that the international situation is far from being stable as the world is still beset with an intertwined complex of contradictions.

The communique said both China and the Soviet Union reaffirmed that they are not after hegemony in the world and opposed to the pursuit of hegemonism in whatever forms in international politics.

As to the situation in the Asia-Pacific region, the two sides regarded peace and stability there as conducive to the peace and development of the region and that of the world in general.

They expressed the belief that the political and economic issues affecting the common interests of Asian-Pacific nations should be resolved through political dialogue and consultation on the basis of equality.

The communique said the two countries are ready to make joint efforts to help turn the Asia-Pacific region into a zone of openness, cooperation and prosperity.

Communique on New World Order

OW1905124691 Beijing XINHUA in English
1232 GMT 19 May 91

[Text] Moscow, May 19 (XINHUA)—Differences in social system, ideology, economic model and path of development should not be allowed to hinder normal state-to-state relations and cooperation, a Sino-Soviet joint communique said today.

The communique, issued on Sunday, said a new international order should be based on the universal principles governing state-to-state relations, namely, mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence.

All countries, big or small, strong or weak, rich or poor, have the equal rights in discussing and handling world affairs, and international disputes should be solved through peaceful negotiations, the communique said.

It stressed that no country should impose its will upon others in state-to-state relations, nor should it make use of threat or force.

"The formation of a new international order is a long and complicated process. Active participation by all members of the international community, respect for the united nations charter and observance of the recognized norms of international law are the requirements for the setup of the new international order," the communique said.

China and the Soviet Union are prepared, together with all countries of the world, to make further efforts for the establishment of the new international order, it added.

The current world situation, the communique said, is far from being stable given the interwoven complex of contradictions of various kinds.

"Both sides express concern about the irrational international economic order, particularly the widening gap between the developed and developing nations, and the intensifying debt problem and the worsening of terms of international trade," the communique said.

Neither China nor the Soviet Union will seek hegemony in the world and they are opposed to hegemonism of whatever form in international politics, the document said.

The communique said the two countries attach great importance to deepening good-neighborly relations, multi-faceted cooperation, and security and stability in the Asia-Pacific Region, which they regarded as conducive to the peace and development of the region in particular and that of the world in general.

In this region, some positive changes have taken place in recent years, but elements of instability still exist, and hot spots and unsettled conflicts remain, the communique said.

Nevertheless, both China and the Soviet Union believe that "the political and economic issues affecting the common interests of the Asian-Pacific nations should be resolved through political dialogue and consultation on the basis of equality," the communique added.

It noted that both countries are ready to make joint efforts to turn the Asian-Pacific Region into a zone of openness, cooperation and prosperity.

Visit Reviewed

OW1905183291 Beijing XINHUA in English
1755 GMT 19 May 91

[Text] Leningrad, May 19 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin concluded his five-day official visit to the Soviet Union and left here for home tonight.

Jiang's visit is another summit meeting between Chinese and Soviet leaders since Soviet President and Communist Party General Secretary Mikhail Gorbachev toured China in May, 1989.

During his visit, Jiang exchanged views with Gorbachev and other Soviet party and state leaders on bilateral relations and international issues of common concern.

"I think my visit has realized the goal of promoting good-neighborly and friendly relations between China and the Soviet Union," Jiang told a press conference in Moscow Friday.

A joint communique issued in Moscow today said, "treasuring the achievements already made, both sides express readiness to further develop the relations of friendliness, good-neighborliness, mutual benefit and cooperation. This not only accords with the interests and aspirations of the peoples of the two countries, but also contributes to the maintenance of peace and stability in the whole world."

During Jiang's five-day visit, the Soviet Government received a large number of letters and telegraphs from Soviet ordinary citizens that expressed honest affection to the Chinese people and sincere congratulations to China's achievements in reform and in socialist construction, according to Soviet officials.

Among Leningrad officials seeing off the Chinese party leader at the airport were Boris Gidasov, first secretary of the Leningrad Regional Committee of the Soviet Communist Party, Victor Samsonov, commander of the Leningrad Military District and other local officials.

Valentin Falin, member of the Secretariat of the Soviet Communist Party Central Committee and chairman of the Central Committee's Commission for International Policy Issues, and Nikolay Solovyev, Soviet ambassador to China who accompanied Jiang to Leningrad, were present at the airport to bid farewell to the Chinese guests.

Also present were Chinese Ambassador to Soviet Union Yu Hongliang, Chinese Consul General to Leningrad Zhang Weichao and representatives of Chinese students studying here.

Thanks Gorbachev for 'Hospitality'

OW1905192091 Beijing XINHUA in English
1834 GMT 19 May 91

[Text] Leningrad, May 19 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin sent a message of thanks tonight to Soviet Leader Mikhail Gorbachev upon concluding his five-day official visit to the Soviet Union.

"I would like, on my own behalf and on behalf of all the Chinese comrades accompanying me, to extend to you and, through you, to the Presidium of the USSR Supreme Soviet, the Government of the Soviet Union, the Central Committee of the Communist Party of the Soviet Union and the great Soviet people our most sincere thanks for your warm and friendly hospitality," Jiang said in the message.

"This brief visit and our fruitful meeting have left me unforgettable impressions. We have experienced the profound feelings of the great Soviet people toward the Chinese people wherever we have been," Jiang told Gorbachev.

"I am convinced that the friendship between China and the Soviet Union, between the communist parties of our two countries, and between our two peoples will develop further," Jiang said.

"I wish the people of all nationalities of the Soviet Union happiness," he added.

Soviet Official Cited

OW2005074591 Beijing XINHUA in English
0649 GMT 20 May 91

[Text] Moscow, May 19 (XINHUA)—Soviet Communist Party Secretary Valetin Falin said today that Chinese Communist Party General Secretary Jiang Zemin's visit to the Soviet Union has brought the relations between the two countries and parties into a new stage.

In an interview with XINHUA on the flight from Leningrad to Moscow, Falin, also chief of the CPSU International Department, said the visit has proved that there were great potentialities for the development of bilateral relationship and that both sides had the desire for enhancing such ties.

Falin said Jiang's visit to the Soviet Union was carried out in an very friendly atmosphere from the very beginning to the end. He described the talks between the two leaders as "friendly and constructive."

He pointed out that the two sides fully understood each other on the destiny of socialism and that they had realised the future of the two countries lies in socialism.

He said his countrymen were very much concerned with Jiang's trip and were eager to know more about China, adding the Soviet people want to know how China made its economic reform a success and what experience they could learn from China.

China should maintain its characteristics, Falin said, noting that a nation failing to take its peculiarities into account could not possibly attain any achievements in its reform.

Jiang Returns Home

OW2005014291 Beijing XINHUA in English
0131 GMT 20 May 91

[Text] Beijing, May 20 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party, returned to Beijing by special plane this morning after a five-day official visit to the Soviet Union.

Meeting Jiang at the airport were Chinese President Yang Shangkun, Premier Li Peng, Standing Committee Member of the Political Bureau of CPC Central Committee Qiao Shi, Vice-president Wang Zhen, and Vice-chairman of the Central Military Commission Liu Huaqing.

They congratulated Jiang on the successful visit.

Those who accompanied Jiang on the visit returned by the same plane. They included Qin Jiwei, member of the Political Bureau of the CPC Central Committee, state councilor and defense minister; Qian Qichen, member of the CPC Central Committee, state councilor and minister of foreign affairs; Wen Jiabao, member of the CPC Central Committee, alternate member of the secretariat and director of the general office of the CPC Central Committee; Zhu Liang, member of the CPC Central Committee and head of the international liaison department of the CPC Central Committee; Li Lanqing, alternate member of the CPC Central Committee and minister of foreign economic relations and trade; and Wang Weicheng, member of the CPC Central Discipline Inspection Commission and director of the policy research office under the CPC Central Committee.

Paper Hails 'Achievements'

HK1605121291 Beijing GUOJI SHANGBAO
in Chinese 25 Apr 91 p 1

[Report by correspondent Hou Yu (0186 3768): "Remarkable Achievements Scored in Sino-Soviet Cooperation; Centralized, Coordinated Management Still Needs To Be Strengthened"]

[Text] Over the past few years, Sino-Soviet economic cooperation has steadily developed and scored remarkable achievements. According to statistics, from 1988 to the end of 1990, the relevant companies on both sides signed 350 contracts on projects and labor service with a total amount of \$900 million, the total number of people involved reached 55,000, and the grand total number of people dispatched was over 40,000. The number of joint ventures set up in the Soviet Union with the official

approval of the Ministry of Foreign Economic Relations and Trade reached 34, and the total volume of investment on both sides was \$65.05 million. Of this, investment on the Chinese side was \$28.85 million, thus accounting for 44 percent.

According to briefings, great advances were made in Sino-Soviet economic cooperation last year. The major characteristics are as follows:

—Cooperation between regions rapidly expanded, and the number of Chinese companies set up in the Soviet Union is growing day by day. Two years ago, economic cooperation on both sides mainly concentrated on four oblasts and border areas in the Soviet Union close to China's northeastern frontier. Last year, the region that were cooperating extended from the Soviet Far East and East Siberian regions to more than 40 oblasts in the Western Siberia, Central Asia, and European region. The companies conducting business on the Chinese side also rapidly extended from northeast China and Inner Mongolia to east, north, central south, and northwest China. Last year, 31 Chinese companies were approved to sign contracts on projects and labor service with their Soviet counterparts.

—Marked improvement was made in contract quality, and the scale of projects was increasingly widened. In the early period of cooperation, the quality of contracts signed was relatively poor for the lack of necessary preparations and experience. Since last year, the contract quality has notably been raised following the establishment and perfection of the system of establishing, examining, and approving cooperation projects with the Soviet Union. Last year, contracts coming into effect after approval by the competent departments accounted for 90 percent of the total number of contracts initialed; there were nine large projects with an amount exceeding \$10 million each. The International Economic Cooperation Company in Shenyang contracted a \$100 million worth of flyover [as received] projects for Vladivostok in the Soviet Union. This marked a new step in Sino-Soviet cooperation.

—Projects of a cooperative nature increased more rapidly. Over the past year, 25 joint ventures approved by the Chinese authorities were set up within the Soviet boundaries. They are engaged in more than 10 trades and professions including electronics, culture and education, foodstuffs, medical treatment, engineering contracts, labor service, and designing. Nearly half of these enterprises have commenced business and operate in good condition. Moscow's Beijing Restaurant, Alkexim [a er ke xi mu 7093 1422 0344 1585 1191] International Engineering Consultancy Company, and Jiankang Hospital of Traditional Chinese Medicine, which took the lead in operations, have gained remarkable economic results.

Some time ago, a work conference on China's economic cooperation with the Soviet Union and East Europe was held in Shenyang. The meeting emphasized that the potential for Sino-Soviet economic cooperation was tremendous, and the prospects were broad. All departments and companies concerned should seize the opportunity, overcome the current difficulties, and expand the business of economic cooperation with the Soviet Union in an active and steady way. First, it is necessary to strengthen the centralized coordination and management to develop a united and unified approach in external dealings, and oppose the practice of rushing headlong into mass action without effective command; second, it is necessary to amplify and perfect various rules and regulations, and formulate a set of administrative and coordination procedure for establishing, examining, and approving projects, reporting planned import targets, and applying for import licences; third, it is necessary to conscientiously do a good job of selecting, screening, and training personnel to be dispatched abroad; and fourth, it is necessary, through ways of integrating economy with trade and domestic with overseas construction projects, setting up processing enterprises abroad, and cooperating with a third country, to settle well the problem of payment so as to enable the Sino-Soviet economic cooperation to embark on the track of a benign circle.

Political & Social

Li Peng Interviewed on Human Rights in Tibet

CM20111191 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 20 May 91 pp 1, 4

[Text] Beijing, 19 May (XINHUA)—Li Peng, premier of the State Council, granted an interview with XINHUA on the eve of the 40th anniversary of Tibet's peaceful liberation. Premier Li Peng reviewed the great changes that have taken place in Tibet over the past four decades and predicted the future of Tibet's development. He also reiterated the central authorities' policy toward the Dalai Lama and Tibetans living abroad.

Q: Would you, Premier Li, comment on the historic significance of the agreement on the measures for the peaceful liberation of Tibet signed on May 23, 1951?

A: People of our generation still have a fresh memory of how things stood 40 years ago. In 1949, the wave of the people's revolutionary war to liberate all of China swept the entire country. Under the victorious situation, Beijing, Hunan, Xinjiang, and Yunnan were liberated by peaceful means. At that time, the Chinese mainland had been liberated except for Tibet, where the imperialist forces of aggression and their influence were yet to be eliminated.

Tibet's liberation was not only the trend of the times but also the popular wish of the Tibetans and all patriotic people. It was against this background that the central people's government and Chairman Mao Zedong made an important policy decision to urge the Tibetan local government at that time to send delegates to Beijing to negotiate. Later, an agreement on the measures for the peaceful liberation of Tibet was signed.

The peaceful liberation of Tibet marked a great event in modern Chinese history. By then, the Chinese people's cause of liberation had been crowned with complete victory on the mainland, the people of all nationalities in our motherland united under the new historical conditions, and a new era also began in the local history of Tibet.

Q: What great changes have taken place in Tibet since its peaceful liberation?

A: In the past four decades, Tibet has undergone profound changes and scored remarkable progress in many fields. Facts testifying to this are too numerous to mention. Here, I would like to cite changes in two aspects.

First, the dark and backward feudal serf system has been abrogated. This indeed is an earth-shaking change. When Tibet was under the grips of the feudal serf system, the serfs and slaves, who accounted for more than 95 percent of the Tibetan population, suffered from cruel oppression, exploitation and enslavement for a long time.

With the democratic reform, the former serfs and slaves were truly liberated, became masters of the country, and embarked on the road of socialism. Large numbers of Tibetan workers, intellectuals, and cadres have grown up

to assume important positions responsible for the building and administration of Tibet.

Like the people of other nationalities in China, the Tibetans truly enjoy all the democratic rights provided for by the national Constitution and laws, such as equal rights for all nationalities and regional autonomy for areas inhabited by minority nationalities.

Second, noticeable achievements have been made in Tibet's economic and cultural development. Prior to Tibet's peaceful liberation, the productive forces there were severely restrained and its economy and culture long stagnated, while the Tibetan people led an extremely poor life.

During the past four decades, Tibet has seen a great development in agriculture and animal husbandry. Grain output last year was the highest in history. Modern industries have developed from scratch, and conditions related to energy supply and transportation greatly improved. The policies of the party and the government affecting nationalities, religion, and the united front work are supported by the Tibetans and patriotic people in various circles. The fine traditional Tibetan culture has been inherited and developed. Educational, scientific, cultural, and public health facilities have been expanded on a certain scale. The living standard of the people is markedly better.

These changes and achievements are unmatched in any other period of the Tibetan history. I think any person, with whatever ideology he believes, values, or holds dear, will share identical or similar views with me regarding Tibet's changes in these two aspects, if he conducts an on-the-spot inspection of the region and respects the objective reality.

Q: How about the central government's plans for Tibet's future economic and social development?

A: The party and the government have always been very concerned with and attached great importance to economic development and social progress in Tibet. From 1952 to 1990, the central government allocated and invested 17.77 billion yuan in capital construction in Tibet while the government has never levied a single yuan from the local financial authorities. This is an important reason why Tibet has developed so rapidly.

In the future the central government will continue to carry out policies beneficial to the development of Tibet's economy and culture and to the betterment of the life of the Tibetan people. The central government will also continue to mobilize the people of all nationalities in China to try their best to assist Tibet's development and construction, as well as to help Tibet fulfill its Eighth Five-Year Plan and 10-Year Development Program.

The State Council has decided to invest 1 billion yuan over the next 10 years in the comprehensive development of the Yarlung Zangbo, Nyang Qu, and Lhasa River valleys. A number of energy and communications

projects have been listed as major projects in China, including the hydropower station on Yamzhog Yumco lake, the extension of airport and highways.

A combination of the support of the entire country and the efforts of the Tibetan people will certainly make Tibet develop and prosper along with the other parts of China in the great cause of building socialism with Chinese characteristics.

Q: Are there any change in the central government's policy toward the Dalai Lama?

A: The central government's policy towards the Dalai Lama has been consistent and remains unchanged. We have only one fundamental principle; namely, Tibet is an inalienable part of China. On this fundamental issue there is no room for haggling. The central government has always expressed its willingness to have contact with the Dalai Lama, but he must stop activities to split the motherland and change his position for "Tibetan independence." Any question except "Tibetan independence" can be discussed.

We have noted that recently the Dalai Lama has raised a hue and cry over "Tibetan independence." How can this create the atmosphere necessary for contact? The responsibility for the fruitless contacts between the two sides in the past and for failing to negotiate now lies completely in the fact that the Dalai Lama has not changed his position to split the motherland.

People are expecting the Dalai Lama to set store in the integrity of the motherland and the unity of all nationalities, assume the proper attitude, and make the correct choice.

Q: What policy does the central government adopt toward Tibetans living abroad?

A: The central government has always been very concerned about the plight of the Tibetans living abroad, and it has adopted the policy that "all patriots belong to one big family, whether they come forward early or late."

"All patriots belong to one big family" means realization of great unity on the basis of patriotism. "Whether they come forward early or late" means that, even those who engaged in splitting activities in the past, will be welcomed by the country and the people so long as they stop activities to split the motherland and change their position on "Tibetan independence."

In recent years, a small number of splittists took advantage of free entry into and exit from Tibet to conduct activities of splitting the motherland and even plotted and instigated riots in Tibet. This is absolutely impermissible.

For Tibetans who reside abroad, the government hopes that they turn their hearts to the motherland. The government also welcomes and supports them in contributing to the maintenance of the motherland's integrity and the unity of all nationalities.

Q: Lately there has been much talk abroad on the so-called "human rights" problem in Tibet among the Tibetan population. What is your comment on this?

A: For a nationality, human rights, first of all, are the rights of survival and development. In old Tibet, the serfs and slaves had no social and political rights whatsoever, and even the primary conditions for their survival could not be ensured. They were personally attached to the serf owners and nobles. Without primary personal freedom, how could they have human rights? Only after the democratic reform in 1959 could they really enjoy the democracy, freedom, and human rights provided by the national Constitution and laws.

As for human rights in Tibet, whether people there had human rights under the past system of feudal serfdom or have human rights under the present socialist system, the Tibetan people have personal experience and are most eligible to say. It is not difficult for anyone without bias to arrive at a conclusion conforming to facts by comparing the conditions in new Tibet with those in old Tibet.

Some foreign forces are fabricating allegations of a so-called "human rights" problem in Tibet and wantonly interfering in China's internal affairs. Under no circumstances will this be allowed by the Chinese people as a whole, and this includes the people of Tibet. Their actions also violate the established principles governing international relations.

As for the Tibetan population in Tibet, here I will cite just one fact: In the several centuries before Tibet's peaceful liberation, the population in Tibet showed almost no increase, whereas, within the four decades since the peaceful liberation, the Tibetan population has doubled from about 1 million on the eve of the liberation to 2.09 million in 1990.

According to the results of the national census last year, Tibetans account for 94.46 percent of the total population in the Tibet Autonomous Region. These facts are sufficient to expose the rumors fabricated by some people abroad.

Officials Arrive for Tibetan Celebrations

Li Tieying Leads Delegation

OW1805133091 Beijing XINHUA in English
 1154 GMT 18 May 91

[Text] Lhasa, May 18 (XINHUA)—The central delegation arrived in Lhasa today for the celebrations marking the 40th anniversary of the peaceful liberation of Tibet.

The delegation was headed by Li Tieying, a member of the Political Bureau of the Central Committee of the Communist Party of China and state councillor. It includes Wang Renzhi, head of the party's Propaganda Department and Zhou Wenyan, deputy director of the General Political Department of the Chinese People's Liberation Army.

The central delegation was welcomed at the airport this morning by National Committee Vice-Chairman of the Chinese People's Political Consultative Conference Pagbalha Geleg Namgyai and local leaders of the party and government.

The guests were also greeted at the hotel by Ngapoi Ngawang Jigme, Standing Committee vice-chairman of the National People's Congress and chairman of the Standing Committee of Tibet Autonomous Region People's Congress.

When the central delegation left Beijing on the 16th, they were sent off at the airport by Ding Guangen, alternate member of the Political Bureau of the party's Central Committee and head of the United Front Work Department, and Song Jian, state councillor and minister in charge of the State Science and Technology Commission.

Ngapoi Ngawang Jigme Arrives

OW1705093791 Lhasa Tibet Television Network
in Mandarin 1200 GMT 16 May 91

[By reporters Qiang Ba and Li Ge from the "Tibet News" program]

[Text] Ngapoi Ngawang Jigme, vice chairman of the Standing Committee of the National People's Congress and chairman of the Standing Committee of the Tibet Regional People's Congress, arrived in Lhasa by plane on 16 May for the celebrations of the 40th anniversary of Tibet's peaceful liberation.

Forty years ago, Ngapoi Ngawang Jigme, as chief plenipotentiary representative of the local government, went to Beijing to negotiate with the central people's government for the peaceful liberation of Tibet. He participated in signing the agreement on Tibet's peaceful liberation. After Tibet's peaceful liberation, he stayed for a long time in Tibet, filling key leading posts. He was one of those who personally experienced and witnessed Tibet's historical change from feudal serfdom to the socialist system.

Vice Chairman Ngapoi Ngawang Jigme's wife, Cedain Zhoigar, who is vice president of the All-China Women's Federation and honorary president of the Tibet Regional Women's Federation, also returned to Lhasa by the same plane.

Regional party, government, and army leaders, including Pagbalha Geleg Namgyai, Raidi, Gyaincain Norbu, Jiang Hongquan, Lang Jie, Tudao Doje, Zheng Ying, and Lhamin Soinam Lhunzhub, warmly greeted Vice Chairman and Mrs. Ngapoi Ngawang Jigme at the (Gongga) Airport. Vice Chairman Ngapoi Ngawang Jigme cordially shook hands and exchanged greetings with these leading comrades of the autonomous region. The regional leaders offered hadas [white scarves that represent friendship] to Vice Chairman and Mrs. Ngapoi Ngawang Jigme.

When Vice Chairman and Mrs. Ngapoi Ngawang Jigme returned to their residence by car, Zhang Xuezhong,

deputy secretary of the regional party committee, and Mao Rubai, deputy secretary of the regional party committee and vice chairman of the autonomous region, who had waited here, extended cordial greetings to them.

Panchen Lama TV Program Marks Tibet 'Liberation'

OW1805091291 Beijing XINHUA in English
0554 GMT 18 May 91

[Text] Shijiazhuang, May 18 (XINHUA)—A television program featuring the sixth Panchen Lama's journey to the east is nearing completion and will be broadcast by the Chinese Central Television Station (CCTV) toward the end of the month.

Jointly produced by the China Foreign Culture Exchange Society, the China Central Television Station and the Chengde Modern Drama Troupe of Hebei Province, the featuring of this historical event about the unity of China is part of the activities in celebration of the peaceful liberation of Tibet which starts as of today.

The program is adapted from a modern drama of the same name performed by the Chengde modern drama troupe. The play ran for a number of capacity audiences when it was performed in Hong Kong in 1988. It also received a special award at the first modern drama festival of northeast China.

"Panchen's Journey to the East" features the journey by the Sixth Panchen Lama from the Zhaxi Lhunbo Lamasery to Chengde in North China to congratulate Emperor Qianlong on his 70th birthday in the late 1770s. The emperor had a residence built for him in Chengde in the style of the Zhaxi Lhunbo Lamasery.

The television program depicts the difficulties and hardships the sixth Panchen Lama experienced during the journey, and sings an ode to Panchen the sixth, who contributed to the unification of the country and the unity of its nationalities.

Li Peng Meets Conferees on Handling Complaints

OW1705141391 Beijing XINHUA Domestic Service
in Chinese 0908 GMT 17 May 91

[By reporters Zou Aiguo (6760 1947 0948) and Dou Guangsheng (4535 1684 3932)]

[Text] Beijing, 17 May (XINHUA)—Premier Li Peng separately met with the attendees to the national symposium on theories of treating people's complaints and the delegates to the second national conference on export work of town and village enterprises in the Great Hall of the People this afternoon.

Vice Premiers Tian Jiyun and Zou Jiahua, State Councillor Chen Junsheng, and State Council Secretary General Luo Gan were present at the meeting.

Before the meeting began, Li Peng told responsible people of the complaints bureaus under the general

offices of the CPC Central Committee and the State Council: Treating people's complaints is very important work. The complaints department has made its due contributions to strengthening the ties between the party, government organizations, and the people, maintaining social stability, correcting unhealthy tendencies, and implementing the party's policies.

Li Peng said: Our party's fundamental purpose is to serve the people. The party's cause is the people's cause. What the people are concerned about is also what the party and the government are concerned about. While you are entrusted by the party and the government to handle people's complaints, you should seriously listen to people's opinions, seek truth from facts, work impartially, correctly implement and publicize the state laws and the party's policies, and properly handle problems pointed out by the people. Party committees and governments at various levels should seriously strengthen their leadership over the work of treating people's complaints.

Li Peng urged the comrades handling people's complaints to continue to display the spirit of serving the people wholeheartedly and to make new contributions to maintaining stability and unity in our country, promoting reform and opening to the outside world, and achieving steady economic development.

Li Peng discussed the work of town and village enterprises with the responsible people of the State Planning Commission, the Ministry of Agriculture, and the Ministry of Foreign Economic Relations and Trade. He said: To develop town and village enterprises is a strategic policy decision made by the Party Central Committee and the State Council, a decision conforming to the conditions of our country. It is an important measure for developing the rural economy and improving peasants' living standards once and for all, as well as an important step toward building socialism with Chinese characteristics. Leaders at all levels and all professions and trades should treat the development of town and village enterprises as an effort to strengthen the worker-peasant alliance in the new period, to attain the second-step strategic objective, and to make the people well-off. They should actively support the development of town and village enterprises, provide correct guidance, and enable the town and village enterprises to constantly improve, develop themselves, and grow in strength.

Li Peng said: In the days to come, we should continue to develop the export-oriented economy of town and village enterprises. However, we should put the tasks of improving the quality of products, upgrading products, readjusting product mix, and raising economic efficiency above all else. We should rely on scientific and technological progress to raise the export-oriented economy of town and village enterprises to a higher level.

The national symposium on theories of treating people's complaints opened on 16 May. Forty years ago, Comrade Mao Zedong wrote the instruction: "We must pay attention to people's letters." Comrade Zhou Enlai

signed and issued the "Decision of the Government Administrative Council on the Work of Handling the People's Letters and Receiving Visits by the People." Under the leadership of the party Central Committee, the State Council, and the party committees and governments at all levels, treating people's complaints has achieved remarkable results in serving the purpose of the party's central tasks in various periods. Rich practical experience has been gained in this regard. At the same time, some progress has been made in developing theories on treating people's complaints. Facts have proven that the work of treating people's complaints is a dynamic manifestation of the party's mass line. It serves as a major channel to develop socialist democracy, an effective measure to eliminate contradictions among people, and a supervisory mechanism in maintaining the authority of law, discipline, and policies.

The symposium received more than 100 treatises. Zheng Youmei, director of the complaints bureaus of the general offices under the CPC Central Committee and the State Council, said at the symposium: To strengthen the party-people and government-people ties, maintain stability, and develop the economy, we should not only promote the work of treating people's complaints, but we should also make a serious effort to summarize experience and strengthen the development of theories on this work. He expressed the hope that comrades engaged in and concerned about the work of treating people's complaints would pay attention to the present, the future, people's interests, and the development of this work. He also hoped they would emancipate their minds, study new circumstances, solve new problems, and steadily strive to make a success of the work.

Among those attending the symposium were responsible people from various provinces, autonomous regions, municipalities, cities with independent economic decisionmaking authority, and complaints offices of various departments and commissions of the CPC Central Committee and the state organs, as well as treatise writers, totaling some 150. Some veteran comrades with a history of experience in leading and doing the work of treating people's complaints were also invited to the symposium.

Yang Shangkun, Chen Yun Send Wreaths to Funeral
OW1705213191 Beijing XINHUA Domestic Service
in Chinese 0841 GMT 15 May 91

[Excerpt] Beijing, 15 May (XINHUA)—A ceremony to pay last respects to the remains of Pu Anxiu, an outstanding member of the CPC, a long-tested loyal communist fighter, member of the Standing Committee of the Chinese People's Political Consultative Conference, former member of the Central Discipline Inspection Commission, and deputy secretary of the party committee of Beijing Teachers' University, was held today at the Babaoshan Cemetery for Fallen Revolutionaries.

Pu Anxiu, 73, died of illness in Beijing on 2 May.

Yang Shangkun, Chen Yun, Li Xiannian, Deng Yingchao, Nie Rongzhen, Yao Yilin, Wang Zhen, Li Tieying, Qin Jiwei, and Ding Guangen sent wreaths.

Bo Yibo, Wang Ping, Yu Qiuli, Zhang Aiping, Chen Xilian, Hu Qiaomu, Ma Wenrui, Hu Sheng, Chi Haotian, Zhao NAnqi, Deng Liqun, Liu Zhijian, and other paid last respects to the remains of Pu Anxiu. [passage omitted]

Wang Zhen, Others Attend Children's City Opening

OW1905201491 Beijing XINHUA Domestic Service
in Chinese 0752 GMT 18 May 91

[By reporter Hu Xiaomeng (5170 2556 1125)]

[Excerpts] Beijing, 18 May (XINHUA)—Vice President Wang Zhen opened the door to Beijing's Children's City, whose name was inscribed by General Secretary Jiang Zemin, with a "golden key" symbolizing the enlightenment of children's wisdom. With the slow opening of the gate, the Beijing Children's City formally opened today.

Deng Yingchao, Nie Rongzhen, and Kang Keqing wrote inscriptions for opening of Children's city. [passage omitted]

Liu Huaqing, Wang Ping, Yang Dezhi, Chen Pixian, Chen Xilian, Wang Guangying, Cheng Siyuan, and others attended today's opening ceremony. A representative from the United Nations Children's Fund read a congratulatory message at the ceremony.

Wang Renzhi Addresses Ideological Seminar

OW1805100091 Beijing XINHUA Domestic Service
in Chinese 0524 GMT 17 May 91

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 17 May (XINHUA)—A national seminar on ideological and political work in enterprises closed in Beijing today. The main topic for discussion at the seminar was how to invigorate large and medium state-run enterprises. Wang Renzhi, head of the Central Propaganda Department, emphasized during a discussion with the participants to the seminar: To enhance the vigor of large and medium-sized enterprises is not only an economic matter; it is also an important political matter. We should give full play to the party's political superiority and strengthen the ideological and political work to further enhance the vigor of large and medium-sized enterprises.

Wang Renzhi said: Whether or not we can enhance the vigor of large and medium-sized enterprises will have a bearing on our overall economic situation, on the realization of the second-step strategic objective, on the stability of the political situation, and on the embodiment of the superiority of the socialist system. Party and government leaders at various levels must keep this fact in mind to fully understand the importance and urgency of invigorating large and medium-sized enterprises.

He said: In enhancing the vigor of large and medium-sized enterprises, we should pay attention to taking advantage of our strong points, stopping corrupt practices, and bringing forth new ideas. The state-run large and medium-sized enterprises are of socialist public ownership. The workers and staff members are the masters of those enterprises. With the fine traditions of ideological and political work, large and medium-sized state-run enterprises have party organizations that play the role of political nucleus. We should take full advantage of these strong points, and must not abandon them. We must not rely on money to manage everything. At the same time, we must do away with such malpractices as the "iron rice bowl" and "sharing of food from the same big pot," and we must carry out reform and bring forth new ideas. Otherwise, it will be difficult to display the superiority of socialism.

Wang Renzhi pointed out: The source of the vigor of large and medium-sized enterprises lies in arousing the enthusiasm of the workers and staff members. The efforts to use our political superiority and do well in ideological and political work should aim at arousing the enthusiasm of the workers and staff members, and at relying on all the workers and staff members to invigorate the enterprises. On the one hand, we should educate the cadres to firmly establish the notion of wholeheartedly relying on the working class, and to rely on the workers and staff members to run enterprises well. On the other hand, we should educate the workers and staff members to enhance their sense of being the masters of their own affairs, truly think and work as masters, and perform the duties of masters. In order to do this, we must do even more solid, thorough, and vigorous ideological and political work. He emphasized the necessity of carrying out ideological and political work in teams and groups, and particularly in leading bodies. Enterprises should do day-to-day ideological and political work in conjunction with production and management activities, and strive to find out the common needs between themselves and their workers and staff members. Efforts should be made to carry out the "double-basic" education [shuang ji jiao yu 7175 1015 2403 5148] and make it successful.

The 12-day national seminar on ideological and political work in enterprises was cosponsored by the Central Propaganda Department and the Society for Study of Workers' Ideological and Political Work. After having discussed and exchanged views, the party secretaries and plant directors from more than 100 large and medium-sized enterprises in China have reached a common understanding. They believe that enterprises should do ideological and political work to provide an ideological motivating force, to guarantee the invigoration of enterprises, and to create favorable public opinion for deepening reforms. At present, we should take this opportunity to carry out effective ideological and political work so as to make the cadres and masses further emancipate their minds; enhance their vigor; overcome the mentality of "waiting, relying on others, and asking for things";

improve job skills; work hard; and try in every possible way to invigorate their enterprises.

Comrades Deng Liqun, Yuan Baohua and Xu Weicheng also attended and addressed the seminar.

Government, Party Leaders Visit Handicapped

*OW1805183391 Beijing XINHUA in English
1446 GMT 18 May 91*

[Text] Beijing, May 18 (XINHUA)— Chinese Government and party leaders recently visited the families of handicapped people, enterprises and units which employ the handicapped, and people who serve the handicapped.

The visits are part of the activities of China's "Help the Handicapped Day" on May 19.

On May 17, Li Ximing, a political bureau member of the party Central Committee and secretary of Beijing Municipal Party Committee, visited 313 disabled orphans at the Beijing child welfare center.

On May 15, Vice-Premier Zou Jiahua and Minister of Civil Affairs Cui Naifu visited 17 handicapped workers at the Beijing Huasheng Electrical Appliance Factory.

Commenting on the factory's achievements, Zou said that employing the handicapped is one of the characteristics prevalent in China's effort to help the handicapped.

Standing Committee Vice-Chairwoman of the National People's Congress Lei Jieqiong and Secretary-General of the State Council Luo Gan visited the Peizhi Central School in the Xicheng District on Thursday and spent time with mentally retarded children and their teachers. The two leaders inspected the school's computer room, classrooms, sewing workshops and clinic.

The two leaders also visited the home of Wang Suling, a handicapped woman of the school. Wang has long been studying Japanese in a self-taught way and has won the fourth place in a Japanese composition competition organized by Japan's NHK Company, and the first place in a translation competition in China. Wang has worked as a volunteer counselor and has helped 58 young people win admission to institutions of higher learning. At present Wang works as a primary school teacher.

State Councillor Song Jian visited the national research center for the deaf on Tuesday. Song said that there are many bright children amongst the deaf, who should be helped to be independent. He said conditions should be created for them to contribute to society.

Song, also minister in charge of the State Science and Technology Commission, said that China should mobilize more manpower and rely on scientific and technological advances to help deaf children regain their hearing.

Meeting Held on CPC Organizational History

*SK1705064891 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 16 May 91*

[Text] On 16 May in Weihai, the organizational department of the CPC Central Committee, the central party history research center, and the central archives of China cosponsored the national meeting to sum up the work of compiling the materials for the organizational history of the CPC.

Li Rui, member of the Central Advisory Commission and head of the central leading group for compiling the materials for the CPC organizational history; Sha Jiansun, alternate member of the CPC Central Committee and deputy director of the central party history research center; Wang Mingzhe, curator of the central archives of China; and Tan Fude, Standing Committee member of the Shandong Provincial CPC Committee and director of the organizational department, attended the meeting.

The meeting conscientiously summed up the achievements in compiling the materials for the organizational history of the CPC.

The meeting maintained: Through the efforts made over the past six years, the leading group systematically sorted out the historical materials relating to the CPC's establishment, development, and its changes; it also helped fill in the gaps in the party history research sphere.

Article Views Developing Socialist Successors

*HK1405104091 Beijing RENMIN RIBAO in Chinese
25 Apr 91 p 3*

[Article by Lu Feng (0712 2800): "Entire Party Should Make Efforts to Promote Millions of Successors to the Socialist Cause: Speech at National Seminar on Party Building Theory"]

[Text] To further promote the study of party building theories and the development of party building work, the Central Organization Department, the Central Policy Research Center, and the Central Propaganda Department have jointly held the current national theoretical symposium on party building. With the party building theory of Marxism-Leninism-Mao Zedong Thought as guidance, in connection with the new situation of the international communist movement and the current practice of party building, focusing on building the party into a strong vanguard of the working class armed with Marxism-Leninism-Mao Zedong Thought, and aiming at turning the party into a firm core leading the people of all nationalities throughout the country in building socialism with Chinese characteristics, the participants carried out discussions at the symposium. In light of historical experience and in connection with the current situation, I would like to express some of my views on bringing successors to the socialist cause in order to exchange experiences with you.

1. Promoting Millions of Successors to the Socialist Cause is a Strategic Matter of Fundamental Importance as Well as an Actual, Pressing Task

The cause of socialism and communism is a lofty, great cause in human history as well as an unprecedented, arduous, and complicated cause. To hand down this cause from generation to generation and vigorously promote its development, it is necessary to bring up generations of loyal, reliable successors to the socialist cause. This is a fundamental issue concerning the destiny of our party and state as well as a key issue relating to whether the revolutionary cause pioneered by the proletarian revolutionaries of the elder generation can be carried through to the end.

To ensure that there is no lack of successors to the revolutionary cause, our party has always paid great attention to training them. The proletarian revolutionaries of the elder generation, with Comrade Mao Zedong as their representative, always regarded promoting successors as an extremely important strategic issue, placing it on the party's agenda and promoting large numbers of leading backbones for administering the party, state, and army. As early as in the 1960's, Comrade Mao Zedong, for the sake of preventing and opposing peaceful evolution, repeatedly stressed the great importance of training millions of reliable successors to the socialist cause. To ensure that our party and state will never change their color, he exhorted the whole party: Besides a correct line and policies, we must train millions of successors to the proletarian revolutionary cause. This is an extremely important matter concerning the life and death of our party and state. We should frequently and universally take note of promoting successors to the top of the revolutionary cause. Comrade Mao Zedong's important thinking in this regard radiated with the glory of truth.

Following the Third Plenary Session of the 11th CPC Central Committee, the central leadership collective of the second generation with Comrade Deng Xiaoping as its nucleus foresightedly and promptly urged the whole party to attach great importance to promoting and selecting successors. Comrade Xiaoping repeatedly emphasized: It is a major issue to select and promote middle aged and young cadres; "it is a question of strategic importance on which the very destiny of our party depends"; "we must guarantee China's stability and the realization of the four modernizations by following the correct organizational line and by choosing successors who truly uphold Marxism-Leninism-Mao Zedong Thought and have strong party spirit"; and "the biggest, most difficult, and most pressing problem in our organizational line is to select the proper successors" ("Selected Works of Deng Xiaoping," pp 339, 178, 177). Comrade Chen Yun also pointed out: "From now on, we should bring up millions of middle aged and young successors and let them, who have both ability and moral integrity, temper themselves at leading posts at all levels." In this way, "we can ensure that there is no lack of successors to the party's cause and that the party's

cause will be handed down from generation to generation" ("Selected Works of Chen Yun," pp 263, 303). In light of the requirements laid down by the CPC Central Committee pertaining to ability, moral integrity, and making the ranks of cadres more revolutionary, younger in average age, better educated, and professionally competent, since 1982 party committees at all levels have made great efforts to train and select large numbers of young cadres, strengthen the building of the ranks of reserve cadres, and accelerate the pace of replacement by new cadres of old ones and cooperation between the two. As a result, profound changes have taken place in leading bodies at all levels and the overall situation of the ranks of cadres, providing effective organizational guarantees for the socialist modernization program and reform and opening up.

Proceeding from the new international and domestic situation, the central leadership collective of the third generation with Comrade Jiang Zemin as its nucleus has time and again urged the whole party to attach great importance to the training and selection of successors since the Fourth Plenary Session of the 13th CPC Central Committee. In the year or so following this session, Comrade Jiang Zemin held forums with comrades from the organization, propaganda, education, and cultural departments on numerous occasions. Jiang repeatedly pointed out: "International hostile forces attempt to make a breach in our party's third or fourth generation to realize peaceful evolution. Under such circumstances, we should be farsighted, adopt forceful measures, and build well leading organs at all levels to ensure that the cause pioneered by the proletarian revolutionaries of the elder generation will be handed down from generation to generation." "We are now facing a pressing task of strengthening education among the young people." "We should create conditions to train the broad ranks of young intellectuals into successors to the socialist cause who are both red and expert. With a high sense of responsibility, party committees and governments at various levels and all social sectors should make unremitting efforts to realize this strategic task."

Why is it particularly important to bring up successors at the present stage? Because Western hostile forces have stepped up their peaceful evolution strategy, the international communist movement has suffered setbacks, the influence of bourgeois liberalization will continue to exist domestically for a long time, and the task of China's socialist modernization is still arduous and complicated. All this calls for a proper settlement of the problem of successors.

The situation is changing in the world today. The worldwide confrontation and struggle between two social systems and ideologies are sharp and complicated. Following their success in peaceful evolution in some countries, hostile Western forces have stepped up their efforts to infiltrate and subvert China. They adopt various forms to fight a "smokeless war" with us. Moreover, they place their hope for peaceful evolution on the younger generation in China, trying by every means to win over our young people. China's future depends on the next and coming generations. If we

fail to train the younger generation and to resolve the problem of successors, it will be impossible to foil the attempt at peaceful evolution of the hostile forces abroad and to continue to uphold the socialist system. Hence, we should have a sober understanding ideologically and never lower our guard.

In China, class struggle will continue to exist within a certain scope for a long time to come. We should never underestimate the influence of bourgeois ideology on the younger generation. On the one hand, the evil influence of bourgeois liberalization has not and will not vanish along with the quelling of the 1989 political disturbance. Those who stubbornly stick to the stand of bourgeois liberalization have never given up their attempt to stage a comeback. They will adopt various means to influence and win over our young people. On the other hand, under the conditions of reform and opening up, hostile Western forces will take every opportunity to infiltrate China economically, politically, ideologically, and culturally, and they will use the bourgeois political viewpoint, outlook on life, world outlook, value, and lifestyles to affect the Chinese people, young people in particular. Because of a lack of political experience and ability to distinguish right from wrong, and because their proletarian world outlook is not yet established, our young people can easily be influenced by bourgeois liberalization. If we fail to enhance education work, some young people may become captives of the bourgeois ideology and be used by the hostile forces in pursuing peaceful evolution in China.

China's socialist modernization has entered a critical stage at present. The fourth session of the Seventh National People's Congress has examined and approved the outline of the Eighth Five-Year Plan and 10-Year Program. This is the program of action to realize the second stage strategic objective. When the second step strategic objective is attained, we will have to take the third step. When socialist modernization is basically accomplished in the middle of the next century, we will have to continue to pursue the socialist cause from a higher plane. The burden is heavy and the road is long. Therefore, we should unswervingly build well the leading bodies at all levels and make unremitting efforts to train large numbers and generations of reliable successors who are loyal to Marxism, who love socialism, and who have mastered modern scientific knowledge and modern technical know-how. In this way, we can inherit the past, carry forward the cause, forge ahead into the future, and win one victory after another along the road of building socialism with Chinese characteristics.

Viewed from the status quo of the ranks of China's cadres, the question of training successors is also pressing. The superseding of the old by the new and the substitution of young cadres for old ones is an eternal law of nature. With good successors we can "sit tight in the fishing boat despite the rising wind and waves." Now most of the veteran comrades who joined revolutionary work before the PRC founding have retired or nearly reached the retirement age. Those who joined work

during the early period of PRC founding will also retire by large numbers. Young cadres under the age of 35 account for around 50 percent of the ranks of cadres. After a decade or so, they will become successors of a new generation, who are not replaceable. Hence, we should be determined and lose no time to train and educate the younger generation, train successors for the future cause, and let them shoulder the heavy historical responsibility of forging ahead.

2. To Promote Successors to the Socialist Cause, It is Necessary to Focus Attention on the Younger Generation as a Whole

To train successors to the socialist cause, it is necessary to make unremitting efforts to build the ranks of reserve cadres and promptly promote the young, outstanding cadres in light of the requirements of the reasonable age structure of the leading bodies at all levels. From a long-term point of view, however, it will be far from enough merely to choose a few leading cadres and select a number of reserve cadres. We should focus attention on the younger generation as a whole, that is, millions of young cadres, workers, peasants, servicemen, intellectuals, and students.

On the whole, the young people of this generation have scientific knowledge and the spirit of blazing new trails, are full of vigor and vitality, and are active in thinking. The majority of them ardently love the motherland, the people, the Communist Party, and socialism. They are studying hard and making progress, playing an important role and making contributions at different posts. A number of them have become backbones at various levels. The young people of this generation have bright prospects, are trustworthy, and full of promise. Because of historical and actual reasons, however, we should be aware that most of them have seen little of the world, lack practical experience, are not familiar with China's history and national conditions and the fine tradition of our nation and party, have scanty knowledge of Marxist theories, and have ideological and political weaknesses and shortcomings. Because efforts to conduct ideological and political education slackened for a period of time, some young people were influenced to varying degrees by the outlook on life and value of the Western bourgeoisie. Some of them were even infatuated with the so-called self-value, self-design, and self-reality, totally getting bogged down in the personal narrow circle. The existence of these problems among young people is by no means strange. They are not to be blamed. The reason lies mainly in the mistakes in our education and guidance work. We have profoundly realized from the summary of experience and lessons in this regard the necessity of showing concern for young people and setting strict demands on them. Facts have proved that the majority of them can become successors to the socialist cause so long as we strengthen education and guidance. We should have such confidence.

How should we strengthen ideological and political education among the young people of this generation? First,

it is necessary to strengthen education in Marxist basic theories and help them understand and master Marxist basic knowledge and tenets so that they will have faith in Marxism and learn how to apply the Marxist stand, viewpoint, and methods to observe, analyze, and handle practical problems. Second, it is necessary to strengthen education in socialist theory and the party's basic line, help them integrate theory with practice, understand why have we switched our focus on economic construction and adhered to reform and opening up while upholding the four cardinal principles, and steadfastly take the socialist road with Chinese characteristics. Third, it is necessary to strengthen education in socialist and communist moral values, to guide the broad ranks of youths to use and arm themselves with the proletarian outlook on life, value, and the world, to foster communist ideals and values, and to consciously resist the corrosion and influence of decadent capitalist ideas. Fourth, it is necessary to strengthen education in loving the socialist motherland and the Chinese nation, guide them to increase national self-respect and confidence, closely integrate their future with the destiny of the state, closely combine patriotism with socialism, and contribute to the motherland and the people. Fifth, it is necessary to strengthen education in serving the people, foster a mass viewpoint, be a pupil of the masses, and wholeheartedly work for the interests of the people. Sixth, it is necessary to strengthen education in plain living and hard work, guide them to inherit and carry forward the party's spirit of Yanan, Lei Feng, iron man, and Jiao Yulu which have been shaped in the course of revolution and construction, fear no difficulties and pressure, work hard and courageously take the heavy burden for the building of the four modernizations, work, learn, and love one's work, and regard doing well one's own job and contributing to society as the starting point of the immediate and lofty ideals.

To bring up and educate a generation of young people, it is necessary to attach great importance to and earnestly enhance work in the ideological field and to create a fine ideological, political, and social environment for their healthy growth. We should ensure that the ideological departments and leadership are always in the hands of those who are loyal to Marxism and use Marxist and socialist ideas to occupy the front of ideology, culture, and public opinion. The departments of literature and art, publication, radio, film, and television should produce more reading materials and other spiritual products which are healthy in contents, lofty in style, and suited to youngsters, resolutely resist the spread of decadent things among young people that advertise capitalism and feudalism. It is necessary to give full play to the important role of modern media in educating young people, and to adopt vivid means to imbue the life of young people with socialist ideology and moral values.

Great importance and close cooperation of various social fields are necessary to bring up and educate a generation of young people. Party committees at all levels should regard training of successors to the socialist

cause as their important responsibility, and mobilize and organize the forces of all fields to do this work well. All kinds of schools, institutions of higher learning in particular, are the important fronts for bringing up successors. School teachers should devote all their energy to the cause of bringing up qualified successors, use their learning and exemplary deeds to teach by personal example as well as verbal instruction, teach for the purpose of training people, and be worthy of the name of teachers. Every citizen, party member, and cadre should have a strong sense of responsibility, consciously undertake the important task of training successors to the socialist cause, start from themselves and families, set a fine example, foster a fine family style, set strict demands on their children, strengthen education, and do their utmost for the healthy growth of young people.

In the work of training successors, our veteran comrades play a special role. China now has a large number of retired veteran comrades. They are familiar with China's national conditions, know China's revolutionary history quite well, and have a deep feeling for and firm confidence in socialism and communism. They have a relatively high level of Marxism and rich work experience, and enjoy a high reputation among the broad masses and young people. As they have appeal and are convincing in conducting education among young people, they constitute an important force for training the younger generation. We hope that our veteran comrades, with a high sense of political responsibility and their exemplary deeds, will shoulder the sacred mission of showing concern for the coming generation. On their own initiative, young people should consciously and sincerely learn from the revolutionaries of the elder generation and strive for their assistance. The party committees and governments at all levels should urge, organize, and support veteran comrades to do well the work of training up young people and offer them convenience in doing work so that they can do a better job of educating them.

To sum up, the purpose of our attention focused on a generation of young people is to develop millions of reliable successors to the socialist cause. When this problem is settled, the building of the ranks of cadres who are revolutionary, younger in average age, better educated, and professionally competent will be guaranteed, there will be a solid foundation for selecting a number of leading backbones who are proficient in Marxism, and we can ensure that party and state leadership at all levels will be firmly in the hands of those who are loyal to Marxism. Then our socialist and communist cause will develop and prosper with each passing day.

3. To Rear Successors to the Socialist Cause, It is Necessary to Strengthen Theoretical Training and Pay Attention to Tempering in Practice

Historical experience has proved that strengthening theoretical training and paying attention to tempering in practice is the correct road for the healthy growth of cadres.

Marxist theoretical accomplishment is the necessary requirement for being a qualified successor to the socialist cause. Only with a high level of Marxist theoretical accomplishment can we have the overall situation of the current world well in hand and have firm belief in the socialist direction and communist ideals; take a broad view of the future, have a foothold at present, increase our awareness in undertaking historical responsibility, and correctly implement the party's basic line; wholeheartedly serve the people, keep ourselves clean from corruption, work hard for the people, engage in practical work rather than empty talk, forge ahead in the course of construction and reform, and make contributions and start a career; take the overall situation into account, safeguard the party's unity, and lead the broad masses in advancing; and have control of the situation amid a complicated environment, distinguish all kinds of erroneous tendencies, and withstand the test of all storms.

Youth league schools, party schools, and military academies at all levels, party schools in particular, should undertake in earnest the task of conducting Marxist theoretical training among young cadres. Through training, they should upgrade the Marxist theoretical accomplishment of the broad ranks of young cadres, temper their party spirit, and lay a solid theoretical and political foundation for their healthy growth. I am not going to dwell more on this question as the central authorities have issued a number of documents and central leading comrades have mentioned it on numerous occasions. Here, I would like to stress the question of tempering in practice.

Practice is the source of cognition and the only criterion for testing truth. Truth and talented people derive from practice. The great practice of the Chinese revolution brought up a number of proletarian revolutionaries of the elder generation. The great practice of the socialist modernization program has also brought up a generation of key members of the leadership. Their firm Marxist stand, rich revolutionary experience, superb art of leadership, and solid leadership style have taken shape through study and accumulation from their long-term revolutionary practice. A new generation of successors can only grow, withstand tests, and be selected in practice. If we deviate from practice, it will be impossible to bring up successors who take root among the masses, who fear no difficulties, and who forge ahead.

The practice of the socialist modernization program of millions of people has called for talented people coming forth in large numbers as well as offering a vast world for them to grow. All young people with lofty ideals, young cadres and intellectuals in particular, should vigorously and consciously plunge themselves into the practice of construction and reform, take the road of integrating themselves with workers, peasants, and practice, enhance their ideological understanding in practice, remold their world outlook, increase a sense of the masses, foster worker-peasant feelings, take a firm stand, temper their will, and increase their talent. This is an effective way to train and bring up qualified people. As

everyone knows, as early as in the 1950's and 1960's, large numbers of cadres carried forward the spirit of "going to places where they were needed most." They went to the basic levels, factories, countryside, and remote areas, to do work with arduous effort, making important contributions to the state. Many of them become backbones of the state. It is noteworthy that some young cadres are influenced by the tendency of looking down upon practice, are not willing to go to the basic levels and work in the places where conditions are harsh. If this tendency is not checked, it will be impossible for them to become successors to the socialist cause.

Of the cadres promoted to various leading posts over the years, the majority tempered themselves through years of practice and are competent. However, there are indeed a minority who are not qualified. Besides political and ideological qualities, some of them are promoted to party and government leadership posts without practice or training at basic levels or different kinds of posts. As a consequence, they are incompetent in work. We should draw a lesson from this regard. In the future, we should pay more attention to tempering cadres in practice and training, observing, and selecting cadres through practice.

In recent years, our party has adopted a number of measures to train cadres through practice and has achieved remarkable success. Now it seems that the following methods should be continuously regularized, improved, and perfected.

First, select and send outstanding college students in a planned manner to basic levels to temper themselves. This method once prevailed in the 1960's. At that time, universities and colleges across the country selected a number of politically reliable graduates who did exceedingly well in their studies and sent them to the basic levels to temper themselves. Although the process was affected by the "Great Cultural Revolution," the majority of them indeed became backbones at various fronts. From 1980 to 1985, all localities also sent a group of outstanding graduates to the basic levels to temper themselves. Viewed from practice, the orientation of this method was correct, while the method needs to be improved. In the years ahead, we should continue to select a number of graduates of good character and scholarship in a planned and organized manner and sent them to the basic levels to temper themselves. They should be properly trained so that they can, on the road of integrating themselves with workers, peasants, and practice, gradually become a qualified core of leadership and qualified personnel for various trades.

Second, send in-service young cadres in a planned manner to the basic levels to temper themselves. In recent years, the party and government organs at all levels have received a number of young people. This has played an important role in changing the age, intellectual, and professional structures of these organs. They constitute a vital force of these organs. However, most of them stepped out of the family to enter schools and again stepped out of the schools

to enter the organs. They lack social, theoretical, and practical experience, which is not conducive to their growth. Hence, the leading organs at all levels should proceed from the long-term strategic needs and send them to the basic levels in a planned manner to temper themselves and improve their qualities.

Third, carry out exchange and rotation of cadres in a planned manner. Exchange of cadres is an important measure to temper cadres and improve their qualities. Successors to the socialist cause should have a firm political stand as well as a wide field of vision, varied knowledge, and rich work experience. To meet these requirements, the most important thing is to receive comprehensive training at various posts and jobs. It is necessary to help cadres straighten out their thinking, deepen understanding, and regard the exchange and rotation as cherishing them and as the best opportunity to increase their talent. It is wrong to regard the exchange or rotation from leading organs to the locality or basic levels and from places where conditions are good to places where conditions are harsh as distrust of cadres.

Fourth, set strict demands on cadres and let them temper themselves at their posts. It is necessary intentionally to exert pressure on young cadres, frequently inspect and guide their work, and help them sum up experience, add to their achievements, and correct their mistakes. It is necessary to set strict demands on young cadres and enhance management so that they will constantly increase a sense of organization, discipline, and the legal system and strictly observe discipline and law. Regarding abnormal phenomenon among young cadres and violation of law and discipline, we must boldly grasp, exercise control, and promptly handle them and overcome the practices of laxity and excessive accommodation in young cadre education and management. It is necessary to educate and teach young cadres to stick to their posts, assiduously study their profession, perform their duties in a down-to-earth manner, continue to forge ahead, temper themselves at various posts, and consciously overcome tendencies of being fastidious but incompetent, inconstant, or irresolute, superficial style of work, and unwillingness to be dedicated. Young party members should temper themselves through inner party life, learn to use party requirements to guide their action, and play an exemplary role in party spirit accomplishment, study, and work.

Fifth, all localities and departments should send a number of outstanding youths who are in their thirties or forties to places where they are needed most and where the conditions are harsh, help them accumulate experience, increase their talent, and grow up quicker. In the economically developed areas with favorable natural conditions, cadres can understand new emerging things and accept new knowledge; in places where conditions are hard, they can temper their will and increase their skill in overcoming difficulties. Hence, it is necessary to educate and help middle aged and young cadres inherit and carry forward the fine tradition of plain living and hard struggle, organize and encourage them to go to these

places to put an end to their backwardness, and at the same time temper, test, and improve themselves.

The most important thing for developing and selecting qualified successors is to stick to the requirement for cadres of having both ability and moral integrity. In view of the new circumstances in the international communist movement and in light of new historical conditions, Comrade Jiang Zemin clearly set forth the following five requirements for cadres at all levels:

First, they should have the Marxist theories required for performing their duties, understand China's national conditions, take note of integrating theory with practice, and uphold Marxism-Leninism-Mao Zedong Thought;

Second, they should take a firm proletarian stand, correctly implement the party's basic line, consciously uphold the four cardinal principles, adhere to reform and opening up, oppose bourgeois liberalization, withstand the test of a ruling party and reform and opening up, and never lose their bearing amid the complicated international and domestic situation;

Third, they should unswervingly advance along the road of building socialism with Chinese characteristics, have confidence and determination in creating a new situation, have the courage and ability to struggle indomitably to realize the strategic objective put forward by the CPC Central Committee, never get dizzy with success, advance despite difficulties, and face danger fearlessly;

Fourth, they should wholeheartedly serve the people, maintain close ties with the masses, take the mass line, carry forward the fine tradition of plain living and hard struggle, never be swayed by luxury and dissipation, and keep themselves free from corruption;

Fifth, they should implement the principle of democratic centralism, be broad-minded, take the overall situation into account, be good at uniting with other comrades, particularly work with those holding different views, and have leadership and organization ability.

In our opinion, these five requirements are the conditions for selecting cadres at the present stage as well as the target and requirements for developing up and training successors. To judge whether a cadre has met these requirements, we should see his behavior in various aspects through long-term practice and whether he adheres to the mass line and practical viewpoint. Instead of judging from single acts, or personal impressions or feelings, we should, on the basis of comprehensive historical observation, make accurate, just, and realistic judgments, and truly select successors from outstanding people and promote them to leading bodies.

Developing and training millions of successors to the socialist cause is a fundamental task of socialism for generations to come and a major issue concerning party building. Hence, the whole party should attach great importance to the matter. The leading bodies and cadres at all levels should use political insights and a strategic

viewpoint to judge the matter, hold firmly to the present, look to the future, place this work on the agenda, organize and mobilize all trades, professions, and fields to make concerted efforts to unswervingly do the work well. The practices of focusing attention merely on selecting a few cadres and readjusting well some leading bodies while regarding the training of large numbers of successors as unimportant or even forsaking it are shortsighted and harmful. Unless an end is put to this state of affairs, it will adversely affect our work and we will make historical mistakes.

Developing and training millions of successors to the socialist cause is a practical as well as theoretical problem. To resolve this major issue, it is necessary to do solid work, make profound theoretical explorations, and offer a solution by integrating theory with practice. We hope that the whole party and society will show more concern for this issue, that more comrades will seriously sum up the experience and lesson of the international communist movement and our party's training of successors, explore and study ideological theories and methods of bringing up successors to the socialist cause under new historical conditions, continue to enrich and develop Marxist theory and practice in developing successors to the socialist cause, and resolve this major issue of fundamental importance so that the socialist cause will triumphantly advance with the efforts made by one generation after another, until the realization of the lofty goals of communism.

Commentator Touts Selfless Dedication

HK1705040791 Beijing RENMIN RIBAO in Chinese
12 May 91 p 1

[Commentator's article: "Glory of Dedicators"]

[Text] The "Community Service Volunteers Association" spontaneously organized by the masses in Heping District of Tianjin Municipality made positive contributions to the building of socialist material and spiritual civilization by offering aid to people in difficulty and taking care of the elderly and young children. This is a good form of promoting community service.

Community service is a kind of mass activity beneficial to social stability and progress. With the rapid development of various socialist undertakings, a tendency toward "smaller-sized families, one-family flats, a higher proportion of the elderly in the population, and more household services provided by society" has appeared in cities. However, the economic foundation of our nation remains rather weak. Residents, especially lonely old people and handicapped people, are still faced with many difficulties and inconveniences in their day-to-day lives. The masses and the government need to join hands in promoting the spirit of "I serve everybody as everybody serves me" and providing community service on the basis of mutual aid. Only in this way can the problems be satisfactorily solved. The appearance and development of the "Volunteers Association" met this need.

How could the "Volunteers Association" in Heping District grow so rapidly?

First, it had a clear service aim and principle, and, thereby, it gave full play to the superiority of socialism. It manifested the political advantages of our society. In capitalist society where "everything is aimed at money," it is unimaginable to turn voluntary work and selfless dedication into a norm of public conduct. There, the only tenet can be: "Everybody for himself, and the devil to everyone else." Ours is a socialist society in which the people are masters. The broad masses of people share the same goal and the same interests. Therefore, we need and also can take proletarian collectivism as the basic norm of social morality. Precisely because of this, once the aim of community service and the principle of voluntary dedication were understood by the masses, the activities of making dedication were spread vigorously, displaying an unparalleled magnificent scene while achieving substantial results.

Second, stress was laid on the leading and exemplary role of party members and cadres, who were required and prompted to be the "greatest volunteers." In the initial stage of socialism, it is impossible to require every person in society to consciously practice the communist moral norm of "being completely selfless." However, for the Communist Party members and the public servants, this is the basic behavioral norm. In Heping District, precisely because party members and cadres played an exemplary role in promoting community service and used their own behavior to influence, guide, and organize the masses, community service there could be expanded and upgraded from the stage of "mutual help among neighbors" to a much broader scope and a much higher level, thereby giving a strong impetus to the improvement of public conduct and the development of socialist spiritual civilization. The party style of the cadre's work style forms the foundation for public conduct. If the ideological consciousness and actual behavior of party members and cadres lag behind the ordinary masses, then mass activities, no matter how significant and favorable they may be, can hardly last long and advance.

Third, importance was attached to the building of social encouragement mechanisms. If the duty of dedicators is to make dedication, then what is their due? They should be able to enjoy praise, admiration, and awards from society. Of course, dedicators themselves will not ask for all this. Nevertheless, party organizations, government institutions, and mass organizations must safeguard their rights. Through affirming, commending, and awarding them, we should make unknown heroes well-known and cultivate a consensus of opinion in society of "glory to dedicators and shame to selfish people, including those who harm other people." In our society, there will never be a lack of dedicators, but painstaking efforts must be made to improve the encouragement mechanisms to bring about a huge contingent of hundreds of millions of dedicators.

In recent years, some people wittingly or unwittingly advocated that "economic progress is inevitably accompanied by moral degeneration." Many facts have already shown that as long as we adhere to the four cardinal principles and make great efforts to carry out the activities of building socialist spiritual civilization, morality will not be subdued by money. One of the greatest advantages of socialism is that all people can get rich together. This determines that economic development in socialist society will inevitably promote the formation of interpersonal relationships based on "one serving everyone else and being served by everyone else." It also determines that economic development is dependent on such interpersonal relationships. In the 1950's, when our national economy was rapidly being restored and developed, the prevailing practice was something like "one person in difficulty meeting with support from all sides." This was an example in reality. The serious problems in public conduct in some localities also reminded us of the need to correct errors in our work, so we should never neglect the task of building spiritual civilization at any time.

The "Community Service Volunteers Association" in Heping District played a positive role in sharing work loads with the party and the government, helping the masses overcome difficulties, and promoting social stability and development. If leaders at all levels are good at discovering and supporting progressive things and advanced experiences in the course of building spiritual civilization, taking the lead in practice, and arousing whole society's concern and participation, then we have every reason to believe that there will be more and more dedicators and public conduct in our nation will also get better and better.

NPC To Inspect Implementation of Education Law

HK1805045791 Beijing CHINA DAILY in English
18 May 91 p 1

[By staff reporter Wang Rong]

[Text] Members of the National People's Congress [NPC], China's legislators, will conduct in September a nationwide inspection of how well the Compulsory Education Law issued five years ago is being implemented.

Fifteen inspection groups, comprising NPC members and specialists from the State Education Commission and relevant departments, will look into implementation of the law at the provincial level, across the 30 provinces, autonomous regions and municipalities on the mainland.

Inspections by members of provincial people's congress at the county and township level has already begun, and is expected to conclude in June.

This fall's inspection will mark the third time since 1986 that the NPC has organized such inspections of the local government's enforcement of the law.

The five-year-old law makes 9-year basic education obligatory for Chinese children.

According to the law, urban children should go to school around the age of seven and complete six years of primary and three years of junior middle school courses. Flexible practice in fulfilling the demand is allowed in poor rural areas where children usually stop school after graduating from elementary school.

The law makes it plain that anyone, including parents, who keeps children away from school, would be punished.

The most recent statistics, compiled in 1989, show that the whole country has 2.48 million children of school age who are out of school. That survey found many reasons, including poor family economic status, parents' insistence that children quit school to help in family business, and children losing interest in studying.

Most of the school dropouts are in rural areas and about 86 percent are girls.

The government has tried hard to make people realize the importance of allowing their children to receive an education, but a law is also indispensable to ensure that children receive compulsory education. Chinese newspapers have repeatedly publicized this idea in the past several years.

A recent NPC meeting decided to make the inspection one of the major tasks of the standing committee of NPC this year.

According to NPC's Commission of Education, Science, Culture and Public Health, checkers this time will focus on how well the law has been carried out, especially in educationally underdeveloped mountainous, remote, and poverty-stricken rural areas.

It was learned that the China Disabled Persons' Federation has required to have education for disabled children checked this time.

Some non-Communist Party organizations have also expressed their support and readiness to help in the inspection.

CPPCC Work Conference Held in Shandong

SK1805045191 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 17 May 91

[Text] The cooperation work conference, sponsored by the Medical, Health, and Sports Committee of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], was held at Jinan Nanjiao Guesthouse from 15 to 17 May.

Qian Zhengying, vice chairman of the National CPPCC Committee; Ma Zhongcai, deputy secretary of the provincial party committee; Li Zichao, chairman of the provincial CPPCC Committee; Song Fatang, vice governor of the provincial government; and Lu Maozeng, Ding Fangming, and Su Yingheng, vice chairmen of the provincial CPPCC Committee, attended the conference.

Qian Zhengying made a speech at the opening ceremony of the conference.

She said: Medical, health, and sports committees under the National CPPCC Committee and all local CPPCC committees have noticeable advantages of having skilled people since they unite with and maintain contacts with many representative figures of various social circles, specialists, and scholars. By holding such a conference, the participants will be able to exchange views, learn from each other, and be united. Therefore, the conference is extremely necessary to mobilize the people and to suggest ways and means for and dedicate themselves to realizing the second-step strategic goal.

Ma Zhongcai also made a speech at the conference.

He said: Along with the progress of the socialist modernization, reforms, and opening the country to the outside world, our province has entered a new stage of making the CPPCC work flourish. The CPPCC organizations at various levels across the province have extensively united with democratic parties, mass organizations, and nonparty patriotic people to unswervingly implement the basic line of one focus and two basic points, as well as to exercise their functions closely in line with the central tasks of the provincial party committee and the provincial government. The CPPCC organizations have also made great contributions to safeguarding the province's political, economic, and social stability and the development of all construction undertakings.

Lawyer Reviews Intellectual Property Rights

OW1605212691 Beijing XINHUA Domestic Service
in Chinese 0457 GMT 15 May 91

[By RENMIN RIBAO reporter Zhang Zhiye (1728 1807 2814) and XINHUA reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 15 May (XINHUA)—What is the current state of Chinese laws protecting intellectual property rights? When answering this question, which has attracted international and domestic attention, senior lawyer Wang Zhengfa, who has been involved with laws on intellectual property rights for over 20 years, said: China has established a firm legal foundation to protect intellectual property rights and has been improving and developing this foundation.

Wang Zhengfa, 46, a renowned legal expert on intellectual property rights, was a witness at the creation of China's laws protecting intellectual property rights. As early as 1979, when he was sent to work in the United Nations Intellectual Property Rights Organization, his outstanding expertise was noticed by his foreign colleagues. At present, he is China's branch secretary general of the International Association for Protection of Industrial Property Rights and the Patent Agency's director of the China Council for the Promotion of International Trade.

Wang Zhengfa said: After more than a decade of efforts, China has formed a legal system to protect intellectual property rights. China has made the speediest legislative progress in protecting intellectual property rights in the last decade. In 1982, China published a new trademark law. In 1984, China published a patent law after nearly a decade of discussions. In 1990, China has finally adopted its long-awaited copyright law, including protective regulations on computer software copyrights, something which has concerned foreigners for a long time. Within the last decade, China has signed the Paris Treaty, which protects industrial property rights, and the Madrid Agreement, which protects internationally registered trademarks. Meanwhile, many corresponding organizations have been founded successively in China, including, for example, China's branch of the International Association for Protection of Industrial Property Rights, China's License Trade Operators' Association, China's Intellectual Property Rights Research Association, China's Copyrights Research Association, and the All-China Association of Patent Agencies.

Wang Zhengfa said: The new trademark law, published in 1982, stressed the trademarks' exclusive rights, which had not been specified in the old 1963 regulations controlling trademarks. Some foreigners doubt the effectiveness of their trademarks' rights. In fact, this is an unnecessary worry. Even though for a certain time the number of violations of trademarks' rights had somewhat increased, China has effectively protected trademarks' rights. In recent years, China has appropriately solved many disputes involving encroachment on foreign trademarks' rights.

Wang Zhengfa maintained: The patent law is an important legal measure protecting intellectual property rights. The Chinese patent law's creation has been a breakthrough for the Chinese legislative process in protecting intellectual property rights. In the patent law, a concept that "results of intellectual labor are also commodities" has been formally recognized for the first time in China. He said: The Chinese patent system has paid particular attention to the basic principles that suit international practice and the Paris Treaty. While implementing the patent law for the last six years, the Chinese State Patent Bureau accepted and handled more than 170,000 patent applications, including over 30,000 foreign applications. Some foreign friends were worried, however, about effectively executing their patent rights in China. In fact, if patent rights cannot be executed effectively, then applying for patents in China would be useless. On the other hand, China has no reason to let its patent system turn into a mere scrap of paper that cannot solve any realistic problems. China has devoted enormous human resources, incurred great expenses, and has spent a decade establishing this system. As a matter of fact, China's courts and their related organizations have already done a lot of work to safeguard the patentees' execution of their rights. These facts are easily seen.

When commenting on the copyright law that will be implemented soon, Wang Zhengfa said: After more than

a decade of preparation and exploration, China's copyright law has been finally adopted at the Seventh National People's Congress Standing Committee's conference on 7 September 1990 and will be effective from 1 June 1991. This law's implementation will be another step forward for China in protecting human intellectual creations since the publication of the patent law. Many provisions of the Chinese copyright law have been formulated according to internationally recognized practice and international treaties, such as the Berne Convention that protects literature and art. This international practice includes automatic effectiveness of copyright protection, protection of character rights, and a period of copyright protection lasting throughout the author's life and for 50 years after his death. In addition, the State Council will publish independent regulations on protection of computer software copyrights.

He said: The implementation of the law protecting copyrights (including computer software copyrights) shows that China is taking another big stride forward to protect intellectual property rights. We should admit, of course, that in comparison with some other countries, especially Western countries, Chinese copyright protection is just taking its first steps. Yet we cannot be overcritical of some newly created matter, just as a newborn baby cannot be an adult right away. As long as we give it time and care, it will grow and develop.

Wang Zhengfa said: In comparison with some other countries, China's pace in developing the system to protect intellectual property rights in the last decade is unusual. This is the result of China's implementation of reform and open policies. While Chinese laws on intellectual property rights, already published, are basically modernized, imperfections will be gradually improved and further attuned to world trends. This coordination and improvement will take some time, or we will have more haste and get less speed. In short, the general tendency in China is that it has been perfecting and developing its own protective system on intellectual property rights at a fast pace.

Mao's Talks on Literature, Art Recalled

*OW1805180391 Beijing XINHUA Domestic Service
in Chinese 0934 GMT 15 May 91*

[Text] Beijing, 15 May (XINHUA)—To commemorate the 49th anniversary of the publication of Comrade Mao Zedong's "Talks at the Yanan Forum on Literature and Art," the Literature and Art Bureau of the Central Propaganda Department, the Shaanxi Provincial Party Committee's Propaganda Department, the Yanan Spiritual Research Society, the Yanan Literature Research Society, the ZHONGLIU journal, and four other units jointly held a discussion on "Developing the Yanan Spirit and Invigorating Literary and Art Creation" today in Beijing.

Comrades attending the meeting maintained that the Yanan Period was a very important and glorious period in the history of revolution under the CPC's leadership.

The Chinese have derived valuable spiritual wealth from "Yanan Spirit" from years of revolutionary struggle. It is the spirit of combining the universal truth of Marxism and the practice of revolution in China; of upholding and developing Marxism in practice; of unifying adherence to the absolute materialist principle of proceeding from realities in everything we do while pursuing lofty ideals; of fully tapping the power of revolutionary ideals, morality, and discipline to overcome all difficulties and score a victory; and of uniting as one and struggling hard to achieve the grand goal of communism. "Yanan Spirit" is not only our spiritual base in carrying out socialist revolution and construction, opposing the imperialists' peaceful evolution, promoting reform and opening to the outside world, and achieving the four modernizations, but it also is a powerful spiritual motivating force for the promotion of thriving socialist literature and art.

Comrades attending the meeting said the "Talks" were the concentrated manifestation of the Yanan Spirit in literature and art. It is a brilliant literary work in which Comrade Mao Zedong employs the Marxist stand, viewpoint, and methods to systematically and profoundly expound literary and art issues. It is important literature in the treasure house of Marxist theory on literature and art. The practice of revolutionary literature and art in nearly half a century has demonstrated that the basic spirit of the "Talks" is not outdated. The "Talks" contain important points on literature/art and life; literature/art and the people; literature/art and the times; literature/art and revolution; praise and exposure, contents and forms, inheriting and innovating, popularizing and improving the standards, world outlook and literary/art creation; and the need for writers to persistently reach out to real-life situations. These points tend to increasingly demonstrate their eternal vitality in the practice of socialist literature and art. Under the new historical conditions, China's creation of art and literature and the healthy development of socialist literature and art as a whole still cannot do without the theoretical guidance of the spirit embodied in the "talks." Comrades attending the meeting gave a fairly high evaluation and affirmation to reportage that forcefully brings out the Yanan Spirit, including works like "Shanbei Fulao" ["The Elders in Northern Shaanxi"].

Through discussion, they all agreed that today's activities to restudy the "Talks" and develop the Yanan Spirit should be coordinated with the study of "Deng Xiaoping on Literature and Art," the study of Comrade Jiang Zemin's important speech on 1 March this year, and the implementation of "Opinions on Invigorating Literary and Art Creation at Present" issued by the Central Propaganda Department, the Culture Ministry and the Ministry of Radio, Film, and Television. We should closely relate these restudy activities to China's present realities in literature and art; uphold Marxism-Leninism-Mao Zedong Thought; take a clear-cut stand in opposing bourgeois liberalization; persistently promote grand unity in literary and art circles under the guidance of the "two service orientations" [serving

socialism and the people]; persistently reach out to real life, reform and opening to the outside world; strive to transform the objective world while transforming our own subjective world; straighten out the relationship between subject and object, between the writer and the people, and between literature/art and the times; instill a heightened sense of the times and a lofty sense of mission in socialist literature and art; strive to create large numbers of works in socialist literature and art which have national characteristics and style, and which are well received by the Chinese people; use the unique charm of literature and art to inspire national spirit; command the power of socialist ideals and morality to inspire and encourage the people to more confidently work for the accomplishment of the second-step strategic goal of socialist modernization.

Attending the meeting were officials of the Central Propaganda Departments and departments concerned, He Jingzhi, Nie Dajiang, Ma Feng, Li Zhun, Zhang Geng, Men Weizai, Liang Guangdi, Li Ruobing, Li Xifan, Huang Gang, Zheng Bonong, Liu Shaotang, Li Jian, Min Ze, Xu Feiguang, Lu Meilin, Han Ruiting, and more than 100 experts and scholars from Beijing, Shaanxi, Hubei, and Shandong.

Correction to Central Organs on Literature, Art

OW1505004491

The following correction pertains to the item headlined "Central Organs Issue Views on Literature," published in the 13 May China DAILY REPORT, pages 41-46:

Page 43, column one, first complete paragraph from last sentence should read: ...the overall situation.

3. We should expand the literary and artistic creation program and strengthen leadership over important literary and artistic creation.

Formulating an artistic.... (supplying additional paragraph under Point 3)

Military

Party Leadership Over Ideological Work Viewed

HK1705141191 Beijing RENMIN RIBAO in Chinese
6 May 91 p 5

[Article by staff reporter Jiang Yingguang (5592 2503 0342): Strengthening Party Leadership Over Ideological Work: Roundup of Meeting of Naval Air Units To Exchange Experience in Conducting Ideological, Cultural Work at Grass-Roots Level"]

[Text] A meeting of naval air units to exchange experiences in conducting ideological and cultural work at the grass-roots level was convened in Hainan not long ago. The delegates attending the meeting exchanged experiences in ideological and cultural building at the grass-roots level and focused on discussing the issues of

strengthening party's leadership over ideological work and doing a good job of ideological and cultural building in army units.

The delegates unanimously maintained: Ideological and cultural building is an important component part of ideological work and occupies a very important position in ideological and political work in army units. Strengthening party's leadership over ideological work, doing a good job of ideological and cultural building in army units, and guaranteeing their political eligibility and perfect mastery of military skills are always matters of prime importance to which we should pay attention.

The delegates believed that the Chinese People's Liberation Army has passed the test of political disturbance in 1989. After quelling the rebellion, the party and the state promptly attained political, economic, and social stability in a very short time, and achieved a new momentous victory in struggles in the ideological realm. After a series of screening, rectification, and construction, a favorable turn and a prosperous phenomenon have appeared on the ideological and cultural fronts. The orientation of public opinion has turned for the better, the spirit of Lei Feng has been further promoted, new progress has been made in the building of socialist spiritual civilization, and the party's ideological and political work has displayed a strong vitality. A number of heroic model figures such as Lin Chunlin, Huo Xiaocai, and Yang Zhengfa have emerged in the air units of the navy, exercising an immense influence inside and outside the army. However, we must also soberly see that domestic class struggle still exists to a certain extent, foreign hostile forces are still continuously promoting the strategy of peaceful evolution, and bourgeois decadent and declining ideology and lifestyle have not been swept clean. All these determine that the conflict between the four cardinal principles and bourgeois liberalization as well as the struggle between infiltration and anti-infiltration, between evolution and anti-evolution, between corrosion and anticorrosion, and between subversion and antisubversion will exist for a long time. Therefore, we must attach great importance to ideological work and ideological and cultural building and should never sit back and relax our will to fight.

The delegates maintained: To strengthen ideological and cultural building in army units, we should step up the study and education of Marxist basic theories as a strategic measure. We should organize cadres and fighters to study Marxist writings and important documents, principles, and policies of the party and state. The education carried out in army units in upholding the four cardinal principles and opposing bourgeois liberalization, strengthening the party's absolute leadership over the army, and the like, is in itself education in basic Marxist theories and practice. To do a good job in theoretical education in army units, we should, first, inculcate correct ideas; second, exert ourselves in mastering basic positions, viewpoints, and methods; and third, link theory with practice. At present, in light of the situations at home and abroad, army building, and individual realities, we should strengthen the transformation of

our own world outlook, improve the capability to understand and analyze problems, and increase work creativity.

The delegates maintained: To strengthen ideological and cultural building in army units, we should unswervingly tackle day-to-day ideological work well. Day-to-day ideological work is a fine tradition of our armed forces and the most popular, practical, and concrete ideological work penetrating the routine work of army units, complements with systematic and concentrated political education, and occupies an important position in the army units' ideological and political work. We can see now that there still exists a weak link in day-to-day ideological work. We should conduct in-depth investigation and adopt solid measures and methods to achieve practical results.

The delegates viewed: To step up ideological and cultural building in army units, we should step up the building of cultural environment in military camps. We should make efforts in such areas as training key members, strengthening management, developing facilities, and launching activities.

The delegates maintained: The key to stepping up ideological work and doing a good job in ideological and cultural building lies in strengthening the leadership of party committees and party branches at grass-roots levels. Party organizations should have strategic insight and implement the principle of tackling both rectification and prosperity at the same time. We should be active and enterprising and persevere over a long period of time. We should not only learn the advanced experiences of other units but also proceed from realities in gaining experiences that suit the conditions of our own army units. We should stress practical results and avoid formality. We should promote the fine tradition of arduous struggle and prevent extravagance and waste. It was unanimously maintained: Upholding party organizations' leadership over army units' ideological work and ideological and cultural building carries very important significance. This is not only the need to uphold the party's absolute leadership over the army but also an important guarantee to realize the party's absolute leadership over the army. We should concentrate our energy on doing a good job in this respect.

PLA Develops Microwave Telecommunications System

OW1705213991 Beijing Central People's Radio Network in Mandarin 0200 GMT 15 May 91

[Text] After years of research with his colleagues, Gao Kunhua, an engineer at the Engineering and Design Institute of the 2d Artillery Corps of the People's Liberation Army [PLA], has successfully developed a microwave telecommunications system.

Microwave telecommunications equipment is widely used in transmitting telephone, telegraph, photographic, and computer telecommunications. Because the electric current is transmitted directly, the traditional method of sending electric current consists of sending it to a complicated station on a high mountain, and the current is

retransmitted to the other party. At present, the cost of building such a relay station is more than 1 million yuan. With the development of a microwave telecommunications system, it is possible to build a simple receiving station, something like a volleyball net, on a mountain at a cost that is only a fraction of that of a traditional station. Because of its small size, such a receiving station is more resistant to natural disasters. Three microwave telecommunications networks of this type have been set up by the Tonghua Mining Bureau in the Changbai mountain area. Construction of the three networks saved the state more than 2 million yuan.

At a recent on-the-spot meeting, experts spoke highly of this achievement, saying that in China, where a large number of microwave telecommunications stations need to be built, popularization of this technology will save the state a large amount of money.

Armored Troops Finalize Training Regulations

HK1505072191 Beijing RENMIN GONGAN BAO in Chinese 12 May 91 p 3

[Report by Wang Fuli (3769 2105 3689): "Regular Training Given to Armored Troops"]

[Text] The People's Liberation Army armored troops have finalized regulations for training courses; training procedures and methods; criteria for judging soldiers' performance; training support; and management of training. These regulations bear the characteristics of armored troops.

The training courses have been systematized. The training will be conducted according to seven volumes of teaching programs, two volumes of outlines, and 77 related textbooks.

The training has been standardized and the criteria for judging the training quality unified. The newly defined criteria for judging soldiers' performance—criteria contained in seven volumes—were designed to form a system for assessing students' performances while supporting the teaching program, training standard, course of training, and teaching materials. Over the past few years, more than 110,000 pieces (sets) of training equipment and 35 kinds of simulated training equipment have been developed and produced, constituting a training support system applicable to the elementary, secondary, and senior courses.

Commander Inspects Air Defense Facilities

SK2604054891 Beijing BEIJING RIBAO in Chinese 22 Mar 91 p 1

[By reporter Chen Weiguang (7115 4850 0342): "Leaders of the Beijing Military Region Inspects Beijing's People's Air Defense Facilities"]

[Text] On the morning of 21 March, Wang Chengbin, commander of the Beijing Military Region, and Zou

Yuqi, deputy commander of the Beijing Military Region, inspected people's air defense facilities in Beijing Municipality, in the company of Zhang Baifa, executive vice mayor of Beijing Municipality, and Huang Jicheng, assistant to municipal mayor.

At the office of the municipal government, Chen Xitong, state councillor and mayor of Beijing, met with leaders of the Beijing Military Region who were there for inspection. After listening to the report made by responsible comrades of the municipal people's air defense office, Wang Chengbin and other military leaders went to the underground first-aid station of the Beijing first-aid center and to Yuetan and Xizhimen to conduct on-the-spot investigation of people's air defense projects. Leaders of the military region expressed satisfaction with Beijing's beginning steps on the path of steadily building the people's air defense projects in close combination with urban construction, in line with overall planning, and in accordance with the principle of combining peacetime needs with wartime preparedness.

Also among the leading military comrades who inspected the people's air defense projects of Beijing were Huang Yunqiao, chief of staff of the Beijing Military Region; Dong Xuelin, commander of the Beijing Garrison District; and Gao Yunjiang, deputy commander of the Beijing Garrison District.

Economic & Agricultural

Li Peng Signs Regulatory Tax Regulations Decree

OW1805144591 Beijing XINHUA Domestic Service
in Chinese 2013 GMT 17 May 91

[Text] Beijing, 18 May (XINHUA)—On 16 April Premier Li Peng signed State Council Decree No. 82 promulgating the "People's Republic of China Provisional Regulations on the Regulatory Tax for the Orientation of Investments in Fixed Assets." The XINHUA NEWS AGENCY today broadcasts the full text of the "Provisional Regulations."

The "Provisional Regulations" totals 18 articles. According to its stipulations, a unit or individual making an investment in fixed assets within the boundaries of the PRC is obligated to pay the regulatory tax for the orientation of fixed assets investments. Different tax rates should be adopted for this kind of regulatory tax in accordance with the state's industrial policy and the economic scale of the projects.

According to regulations, except for cases otherwise stipulated, no regulatory tax for investment orientation should be reduced, nor any unit or person exempted from paying this tax. The tax office is responsible for the collection and management of this tax. The State Administration of Taxation is responsible for interpreting the regulations and enacting detailed rules and regulations for enforcement.

The "Regulations" will be effective in 1991. The "PRC Provisional Regulations on Building Tax," promulgated by the State Council on 25 June 1987, is simultaneously abrogated.

The "Regulations" also includes two appendices: The "List of Taxable Items and Tax Rates of Regulatory Tax for the Orientation of Fixed Assets Investments" and the "List of Projects Whose Development Has Been Banned by the State." According to the State Council General Office, State Council Decree No. 82 and its appended documents are openly published by China Fazhi [Legal System] Publishing House.

State Council Decree

OW1805040191 Beijing XINHUA Domestic Service
in Chinese 2012 GMT 17 May 91

[Decree No. 82 of the State Council of the People's Republic of China]

[Text] Beijing, 18 May (XINHUA)—The "PRC Provisional Regulations on the Regulatory Business Tax for the Orientation of Investments in Fixed Assets" is hereby promulgated and becomes effective in 1991.

[Signed] Li Peng Premier

[Dated] 16 April 1991

Regulations on Taxation for Development Zones

HK1705115191 Beijing GUANGMING RIBAO
in Chinese 1 May 91 p 2

["Regulations on Taxation Policy for State High- and New-Tech Industrial Development Zones (State Administration of Taxation, March 1991)"]

[Text] Article 1. These regulations are enacted to help China's high- and new-tech industries to develop along a healthy path and to further push forward the building of high- and new-tech industries development zones.

Article 2. These regulations apply only to certified high- and new-tech enterprises in the high- and new-tech industrial development zones (referred to as development-zone enterprises for short hereinafter) approved by the State Council.

Article 3. The setting up of development zones and development-zone enterprises, and the introduction of high- and new-technology and the range of its products shall be approved according to the unified requirements and standards laid down by the State Science and Technology Commission.

Article 4. Development-zone enterprises shall pay income tax at a reduced rate of 15 percent effective from the day they are certified.

Article 5. If the output value of export commodities produced by any development-zone enterprise exceeds 70 percent of its gross output value for the same year, it

shall pay income tax at a reduced rate of 10 percent, subject to verification by the tax organ.

Article 6. Newly established development-zone enterprises shall be exempted from income tax for two year, subject to the tax organ's approval for their applications.

Newly established Sino-foreign joint ventures in the development zone, which will be jointly run for more than 10 years, shall be exempted from income tax two years after they have gained profit, subject to the tax organ's approval for their applications.

Rather than the above regulations in this article, the tax policies of a special economic zone or an economic and technology development area shall apply to the foreign-funded enterprises in the development zone, which is situated in the special economic zone or the economic and technology area.

If an enterprise has practical difficulties paying taxes after the tax holidays expire, the tax-free period shall be extended or the enterprise shall pay taxes at a reduced rate, subject to approval.

Article 7. For locally funded development-zone enterprises, their income from technological transfer or from technological consultation, technological services, or technological training offered, which are related to technological transfer and occur in the process of technological transfer, shall be exempted from tax for a certain period, provided the net income for a whole year does not exceed 300,000 yuan; and income tax shall be levied for the surplus portion at an appropriate rate. High- and new-technological products, which are covered by the "torch" program, shall be exempted from product tax and value-added tax, provided they meet the related requirements. The enterprise's proceeds resulting from tax exemptions and tax reductions are to be devoted to technological development and are exempt from income tax.

Article 8. The locally funded development-zone enterprises shall be exempted from taxes or shall pay taxes at a reduced rate. The enterprise's proceeds resulting from tax exemptions and tax reductions are to go to the state assistance fund. The fund will be kept in an independent account and will be exclusively spent on development of high- and new-technology and related products under supervision of the departments concerned.

Article 9. The jointly run development-zone enterprise shall pay taxes as required by the development zone, pay income tax, or turn over to the state a part of its profits in accordance with the fiscal system of the investing enterprise before giving out the profit to the investing enterprise.

Article 10. Locally funded development-zone enterprises shall pay bonus taxes in accordance with the existing state regulations, but the following individual [dan xiang 0830 7309] bonuses are tax free.

1) The bonus drawn from the enterprise' income purely earned through technological transfer, technological services, and technological training, if the bonus does not exceed 15 percent of the income.

2) The prize money given out by the enterprise which exports high- and new-technological products, if the prize money is drawn from export premium in accordance with the state regulations and the prize money does not exceed 1 1/2 months of reference salary.

3) Other tax-free individual bonuses which are given according to the state regulations.

If the total tax-free whole-year per-capita bonus drawn from the sources mentioned in 1) and 2) is less than 2 1/2 months of reference salary, the bonus is tax free; if it is more than the reference salary, the surplus portion shall be taxed.

Article 11. If a locally funded development-zone enterprise builds houses needed for technological development, production, or operation by raising funds on its own, it shall pay construction tax (or regulatory tax on investment orientation).

Article 12. Loans to development-zone enterprises shall be returned after deducting income tax.

Article 13. The existing state tax policies, rather than these regulations, applies to nondevelopment-zone enterprises in the development zone. These regulations do not apply to those development-zone enterprises which no more comply with related requirements.

Article 14. Any past tax policies running against these regulations are null and void.

Article 15. These regulations are explained by the State Administration of Taxation.

Article 16. These regulations will become effective from the day they are approved by the State Council.

Li Peng Discusses Developing Rural Industry

OW1705173491 Beijing XINHUA in English
1454 GMT 17 May 91

[Text] Beijing, May 17 (XINHUA)—Developing rural industry is a fundamental way to develop China's rural economy and raise the living standards of farmers, said Premier Li Peng here today.

Li told leaders of the State Planning Commission, the Ministry of Agriculture and the Ministry of Foreign Economic Relations and Trade that the development of rural industry is a strategic policy of the party Central Committee and the State Council, which is in line with China's current conditions.

Li called on leaders at all levels and people in all walks of life to maintain a high regard for rural industry, thereby strengthening the worker-farmer alliance and helping the Chinese people to become well-off.

The Chinese premier said that export-oriented rural enterprises should continue to develop in the future, and should raise product quality and economic efficiency, regulate product structure and rely on the achievement of science and technology.

After his meeting with government departments' leaders, the premier met with delegates attending the second national export conference of China's rural enterprises being held here.

Vice Premier Tian Jiyun and Zhou Jiahua, as well as State Councillor Chen Junsheng and Secretary-General of the State Council Luo Gan, attended the meeting.

Growth of Rural Enterprises Charted

HK2005030491 Beijing CHINA DAILY in English
20 May 91 p 4

[By Zhang Xiaogang and Chen Xiao]

[Text] Dazhai, a village in the barren hills of Shanxi Province set up by Chairman Mao Zedong as a model for all Chinese farms, may soon have no more farmers.

Evidence that farming is on the decline in Dazhai was documented by Lu Xueyi of the Institute of Sociology under the Chinese Academy of Social Sciences.

Lu learned that on average, two out of three of the members of Dazhai's work force were employed in small manufacturing workshops, rather than deriving their income from tilling the land.

Economists predict that rural enterprises in China will produce more than State-owned ones in about 10 years. This assessment has prompted Lu and some of his colleagues to attempt an analysis of the social forces that are bringing about this unprecedented change.

One area that Lu has been looking into during the last three years is social stratification among rural populations, which he explained to CHINA DAILY in a recent interview.

Lu said that during the last few years he has seen different social groups emerging among the farmers. The existence of these groups runs counter to the theory that used to prevail in socialist countries, which divided all rural residents into one class.

The market-oriented reforms that China started in late 1978 have created about 120 million non-farm jobs for a 400 million-strong rural work force. These jobs provide incomes for 35 percent of the country's rural households.

In Lu's break-down, rural households that depend on industry for their income account for more than 50 percent of the farm population in "developed" areas, 20 to 50 percent in "middle-income" areas, and below 20 percent in "under-developed" areas.

Most of the non-farm jobs come from enterprises launched by townships, villages, partnerships and private owners.

Numbers are somewhat confusing as to how many people the rural enterprises employ. A decrease was noted in 1989 and 1990, during the economic contraction imposed by the central authorities.

During this period some rural enterprises were forced to close. Others, attempting to stay afloat, had to place a great emphasis on profitability than on job creation.

Decrease

Despite the economic contraction non-farm employment in the countryside remained above 90 million, totalling 95.5 million at the end of 1988, and hovering between 92 and 93 million at the end of 1990.

Of the 1988 figure, 48.9 million people were employed by enterprises at the township and village levels. This figure includes 8 million managerial personnel.

The rest were employed mostly by private businesses, Lu said. There are more than 10 million self-employed people (vegetable vendors and carpenters, for example) in the countryside, and at least 100,000 private business owners or managers, Lu added.

Most of the jobs in township and village enterprises are filled by locals. However, the ranks of migrant workers, who are employed by township and village enterprises in more remote areas and even by urban enterprises, have also expanded.

The total number of migrant workers is estimated at between 5 and 6 million, Lu said. In the southern province of Guangdong alone, migrant workers number about 4 million.

Joined by 3 million or so rural women who work as housemaids and temporary workers in various services in the cities, migrant workers make up most of the passengers on China's railways, and also contribute the lion's share to the Ministry of Railway's revenue.

Other non-farm groups in rural society, Lu said, include intellectuals (such as agricultural technicians and medical doctors), which number slightly more than 3 million, as well as 3 to 4 million grass-roots level administrative personnel.

Farmers still represent the largest group in rural society, numbering about 280 million. But even in this most traditional group, increases in mobility have been evident. Farming is no longer as labour-intensive as it once was, especially where township and village enterprises prosper, Lu reported.

"Before, little diversity was shown among so many people. Rural inhabitants were all worse off than urban residents, except for some minor differences in income between places and work units."

In 1970, rural wages were so meager that the annual per capita income for one-third of the People's Commune members was less than 100 yuan (\$20).

"Now, though a large part of the countryside remains poor, in other parts, we have really seen the most wealthy people of the nation," Lu pointed out.

Managers

Some farmers have become managers of relatively large rural concerns, including farms, orchards, fish ponds, and forests.

Lu identified this group as the ones who "became rich first," all armed with greater farming expertise and modern machinery. They have obtained access to government credit, and are able to afford more temporary help.

Not only do well-off individuals no longer live at a subsistence level, a large part of the nation's farm households also have bid farewell to that way of life, Lu said.

No longer is farming their sole means of support and all are eager to look for non-farm opportunities, since some may have surplus labour and a little surplus cash as well.

The third subgroup of farm households have not yet obtained large landholdings, and thus may have difficulty in making ends meet in bad years, Lu said.

The size of the farming population tapers off within the fourth subgroup. This group consists of households which still are mired in poverty, due either to a lack of labour or to some seriously handicapped family members, and so must seek outside help to survive.

Enormous surplus labour exists in the entire farming group, Lu said. Economists estimate this number now exceeds 100 million and will surge to 200 million within the next 10 years.

Don't look down on the so-called "muddy legs" (as the Chinese farmers are often dubbed), Lu says. They make up 80 percent of the nation's population, and what they do continues to be a determinant factor in China's entire socio-political structure. This is a warning that Lu has often given in his recent academic publications.

Asked why his study is based mainly on job diversification, Lu said this was the most practical approach. Although data regarding income distribution are useful for inter-regional or time-related analysis, they sometimes fail to present a clear picture of the changing job market in a particular area.

To introduce industrial life to China's massive rural population used to sound like a task that would take forever, Lu noted. The effort had practically run into a stone wall during the 1960s and 1970s, he added.

The household registration system, which keeps rural residents from living in urban areas was established 30 years ago and is still effective as a means of keeping the population of cities relatively stable.

Local initiatives in the countryside have revitalized the nation's industrialization process. The development of rural enterprises will continue to be dramatic, Lu said. "It's inevitable."

Li Lanqing on Village, Town Enterprise Exports

OW1805093091 Beijing XINHUA Domestic Service
in Chinese 0847 GMT 14 May 91

[By XINHUA reporter Ma Chengguang (7456 2052 1639)]

[Text] Beijing, 14 May (XINHUA)—After he reviewed the tremendous results achieved by the village and town enterprises' export-oriented economy during the Seventh Five-Year Plan, Agriculture Vice Minister Ma Zhongchen called on all to continue to work hard, and to further promote the expansion of village and town enterprises' exports.

Ma Zhongchen made the above call at the second national village and town enterprise export work meeting held in Beijing today. He said: The development of village and town enterprises' exports and the export-oriented economy have had a great impact on upgrading the overall quality of village and town enterprises and social efficiency. The people's traditional perception of the village and town enterprises has changed; the village and town enterprises are no longer merely regional economy but are now competitors in the international market. The technical and management level of village and town enterprises have been improved. 117 enterprises in the village and town enterprises system are state class "B" enterprises, two are state class "A" enterprises, and 62 are backbone export enterprises. Talents in village and town enterprises developed rapidly, and a large group of people have been trained as experts who are proficient both in technical aspects and foreign trade. The development of the export-oriented economy provided the right condition for the restructuring of the industrial mix of village and town enterprises, and led a group of enterprises to turn their attention to the international market. Ma Zhongchen said that these are all proof of the development of village and town enterprises' export-oriented economy, and they also have a significant effect in leading and promoting the sustained growth of village and town enterprises. We must bring our pioneering spirit into play in order to make new contributions to the sustained, stable, and healthy development of village and town enterprises' export-oriented economy.

In his speech, Li Lanqing, minister of foreign economic relations and trade, said: In order to achieve long-term sustained, stable, and harmonized growth of export trade, we must further adjust and improve the product mix of our exports; work hard to effect a change from exporting semi-finished machinery and low value-added products to exporting finished machinery and high value-added products, to improve quality of export products, to establish quality consciousness and place emphasis on quality of export goods so as to have a

competitive edge, and to enhance quality management; and direct all major resources toward improving product quality and grade.

Minister Li Lanqing also stressed the development of agricultural exports in his speech. He said: We must rely on science and technology to make progress in enhancing the improvement in product variety. We must establish a large group of modernized agricultural sideline products export production bases to sufficiently ensure the quality and quantity of products for export, and to develop a good export-supporting service system so that the export sector can operate in an active, flexible, prompt, and efficient manner.

Liu Jiang, vice minister of the State Economic Planning Commission, presided over today's meeting and made the opening speech.

Leaders Present Awards to Outstanding Enterprises

OW1805144391 Beijing XINHUA Domestic Service in Chinese 0325 GMT 17 May 91

[Text] Beijing, 17 May (XINHUA)—Comrades Qiao Shi, Peng Chong, Wang Hanbin, and others met representatives of outstanding enterprises that won the First Nationwide Managing Enterprises in Accordance With Laws "Jinfan Award" [Golden Canvas Award], at the Great Hall of the People on the morning of 17 May.

At a commendation meeting held the same morning, Qiao Shi and others presented awards to representatives of the top 10 enterprises that won the "Jinfan Award" and 35 other enterprises that won the "Jinfan Award Nominee Prize."

Enterprises that won the First Nationwide Managing Enterprises in Accordance With Laws "Jinfan Awards" were: The Shanghai No. Five Iron and Steel Factory, the Daqing Petroleum Management Bureau, the Northeast Pharmaceutical Main Factory, the Anshan Chemical Fiber Woolen Mill, the state-run Chang Hong Machinery Factory, the Beijing Yanshan Petrochemical Company, the Xian Instrument and Meter Plant, the Qingdao Refrigerator Main Factory, the Railways Ministry's Qishuyan Rolling Stock Factory, and the Anshan Iron and Steel Company.

Jointly organized by the China Economic Law Research Institute, the China Enterprises Management Association, and FAZHI RIBAO, the "Jinfan Award" competition was aimed at systematically summing up advanced experiences of enterprise management in accordance with laws; fully utilizing laws as a means for regulating and controlling economic functions so as to bring out their protective and promotional roles in the economic improvement and rectification drive; promoting the process of scientific, democratic, and legalized enterprise management; fully putting the economic functions of enterprises onto the track of the legal system; and making contributions toward the realization of the second-step strategic objectives.

After the commendation meeting, representatives of the award-winning enterprises held discussions on problems relating to management of enterprises in accordance with laws, the promotion of enterprise management, and other areas.

China Further Devalues Yuan

HK1805053191 Hong Kong AFP in English 0525 GMT 18 May 91

[Text] Beijing, May 18 (AFP)—China again devalued the yuan on Saturday in what was seen as the latest move to inch the currency to de facto convertibility.

The currency was traded at an official central rate of 5.3199 against the dollar from Friday's 5.3068. In a series of slight devaluations since April 9, the Chinese currency has shed about two percent of its value.

Independent banking sources have said the central bank intends to depreciate the yuan by 10 percent in a slow drift to 5.7 against the dollar.

The yuan trades at about 5.8 to the dollar on swap markets here, where enterprises buy and sell currencies at prices partly dictated by market forces.

The yuan had been stable until April following a 9.57 percent announced devaluation in November last year.

A devalued yuan would promote Chinese exports by making them cheaper to foreigners while discouraging imports.

XINHUA Gives Exchange Rates for 19 May

OW1905003591 Beijing XINHUA in English 2359 GMT 18 May 91

[Text] Beijing, May 19 (XINHUA)—The State Administration of Exchange Control this morning published the renminbi exchange rates against convertible foreign currencies:

Exchange Rates (in rmb yuan)

	Currency	Per	Buying	Selling
Australia	dol	100	412.00	414.07
Austria	sch	100	43.33	43.55
Belgium	fr	10,000	1,486.44	1,493.89
Canada	dol	100	460.35	462.66
Denmark	kr	100	80.11	80.51
Deutsche	mk	100	305.24	306.77
France	fr	100	90.12	90.57
Italy	lira	10,000	41.04	41.25
Japan	yen	100,000	3,835.63	3,854.86
Dutch	fl	100	271.44	272.80
Norway	kr	100	78.63	79.03
Singapore	dol	100	300.53	302.03

Sweden	kr	100	86.30	86.73
Swiss	fr	100	360.99	362.80
U.K.	pound	100	907.96	912.51
USA	dol	100	530.66	533.32
Hong Kong	dol	100	67.80	68.14
Macao	dol	100	65.70	66.03
Finnish	mk	100	132.54	133.20

(value for May 19)

Interest Rate Cut Stimulates Debate

HK2804025891 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 28 Apr 91 p 1, 4

[By staff reporter Liu Hong]

[Text] The move by the People's Bank of China, the nation's central bank, to lower interest rates last weekend has once again focused attention on whether interest rates are an effective means to bring about a sound recovery in production and the market.

A bank official said the cut in interest rates on bank loans, fixed-term savings and bonds by an average of 0.85 percent was designed to reduce costs for enterprises in an effort to boost production and stimulate the market.

"We chose to make the move at this time as inflation is under control," he added.

The interest-rate cut, effective from April 21, is the third since April last year, and means the new rate for a 12-month bank loan has fallen from 9.36 percent to 8.66 percent.

But some economists question whether interest rates are a dominant force behind China's industrial production and the operation of its enterprises.

The need to find the best way to help the economy has become urgent in view of the crippling losses that have been suffered by the country's large and medium-sized State-owned industrial enterprises—the "lifeline" of the nation's economy.

Statistics show that these enterprises provide more than 60 percent of the nation's revenues, despite the fact that they make up a very small proportion of industrial enterprises.

The alarming fact is that more than 30 percent of the firms suffered losses last year, and the central government has had to spend large sums of money to keep them afloat.

And the situation has continued unchanged as the latest State Statistical Bureau report reveals that during the first quarter of this year production costs of State-owned enterprises overshot budget, stockpiles of unsold products swelled, and the number of enterprises in the red increased. The report declined to provide exact figures.

One economist with the bank said interest rates had not had a big impact on production costs. Other costs,

including rising prices of raw materials, mounting stockpiles of unsold products, increasing defaults from business partners, growing spending on employees' wages and higher taxes had been far more important.

One year had passed since the bank had first lowered its interest rate, the economist said, but costs had continued to climb and an increasing number of enterprises had tumbled into the red.

A lower interest rate on loans would be of little help to these enterprises, she said.

A recent survey backs up the economist's view, showing that interest payments, on average, account for only 2 to 3 percent of an enterprise's production costs.

Meanwhile, the bank's move to cut interest rates has also brought worries of increased bank borrowings.

An analyst from the finance department of the State Economic Planning Commission pointed out that increased borrowings in the past year had not been accompanied by increased production or sales.

Instead, mounting stockpiles of unsold products had continued to eat up the new funding, he said.

Statistics show that the money absorbed by unsold products and defaults had risen by 16 percent in the first two months of this year.

The analyst said the increase in the money supply had far outpaced economic growth. He declined to give figures.

According to the latest report from the State Statistical Bureau, present demand for bank borrowings is still high despite the fact that bank lending hit a record 275.71 billion yuan (\$52.22 billion) during the past year.

And a rapid expansion in bank lending would arouse fears of a surge in money supply and inevitable upward pressure on inflation.

Many economists say the key to sound economic growth lies in improvement of the country's industrial structure, product mix and economic efficiency.

Statistics Serve as Inflation Warning

HK1705040991 Beijing CHINA DAILY in English
17 May 91 p 2

[By staff reporter Wang Xiangwei]

[Text] The latest government statistics serve as a warning that inflation is making a comeback, with economists predicting another rise in May.

In April the cost of living price index in 35 medium-size and large cities—one of the most important indicators for inflation—grew 4.5 per cent on the year, but down 1.1 per cent from March.

However, the figures from the State Statistical Bureau revealed that in the first four months of this year the cost of living price index jumped 5.6 per cent over the same period last year.

The jump was stimulated by the government's decision to raise prices on grain and edible oil, among other daily necessities, starting from May.

Economists say that as the price hikes sink in, further rises are expected in the following months.

Inflation is back into focus again as the government continues to relax its monetary grip in order to stimulate public and consumer spending—thus reducing stockpiles and reinvigorating a sluggish market.

However, the economists said there is no need to sound the alarm as much remains to be seen in the coming months of this year.

Meanwhile, April's overall economic landscape looked healthy, as evidenced by progress in industrial production, retail sales and foreign trade as well as a resurgence in investment and spending.

But the government, according to the economists, is still plagued by the heavy burden of massive subsidies and persistent low economic efficiency.

In April, industrial production jumped 12 per cent to 197 billion yuan, with the daily output rising 7.5 per cent over the previous months.

Thus, in the first four months of this year, the industrial output totalled 711.4 billion yuan, up 13.2 per cent on the same period last year.

However, industrial economic efficiency continues to show no signs of improvement as the backlog is building up relentlessly.

Statistics show that in the first four months, profits of State-owned enterprises dropped by 33.8 per cent.

And many industrial enterprises continue to go deep in the red despite some rises in sales.

April's retail sales totalled 77.9 billion yuan, up 16.7 per cent over the year-ago level and up 3.7 percentage points over the figures in the first quarter of this year.

The rise is said to be partly the result of the significant rises in sales of grain and edible oil before the price hikes took effect in May.

On foreign trade, statistics from the customs showed that in April exports totalled \$5.28 billion while imports stood at \$5.2 billion.

In the first four months, investment on fixed assets by the state-owned enterprises went up to 34.5 billion yuan, up 13.8 per cent over the same period last year.

In the breakdown, investment on capital construction grew 13.4 per cent to 25.2 billion yuan.

Statistics also showed that 50,000-yuan-and-above capital construction and technical renovation projects numbered 4,750, an increase of 2,266 over the same period last year.

Prices of Key Materials Raised

HK1705034791 Beijing CHINA DAILY
in English 17 May 91 p 1

[By staff reporter Li Hong] txt

[Text] The Chinese Government has taken a major step towards eliminating the country's two-tier price system by raising the official prices of some key materials closer to the market price level, CHINA DAILY has learned.

The sharp readjustment of the prices for such important items as cement and steel products marks another "breakthrough" in China's renewed programme of price reform, experts said.

Beginning February 1, the State Council has abolished as many as 12 different kinds of official prices for steel and readjusted them to only two: the State price and the local price.

The result was an increase—ranging from 200 yuan (\$38.50) to 450 yuan (\$86.50) per ton or 25 to 55 per cent—for different steel products.

And on April 1, the government took a further step towards unifying the double track prices—the lower State-planned price and the higher market price—for cement, and set out a single price nationwide—resulting in a 40 per cent increase in the official price for cement.

It was learned that the readjusted prices for steel and cement are close to market fluctuations.

The centralized administration began to give way to flexible management in 1984, when the government allowed enterprises to raise the prices of their products by 20 per cent, and in 1985, when it introduced the "two tier" price system for raw materials.

After completing the production quota set by the State plan, the enterprises are expected to profit by producing more materials, which are sold at the much higher market price.

As a result, multiple prices have left the market in disarray and speculators have swarmed over raw materials seeking lucrative deals.

The government's austerity programme, initiated in late 1988, has loosened the contradiction between demand and supply and made the present price reshuffle possible, said Liang Kai, an official with the Ministry of Materials and Equipment.

However, the enterprises, different government departments and scholars expressed varied views on the move.

The State Price Administration said the price increase was made to bail out steel and cement producers who are

operating in the red, because the price hikes of crude oil, coal, electricity and rail transport in the past years have skyrocketed the cost of steel and cement and choked the profits of the enterprises.

According to calculations made by the State Building Materials Bureau, the move will bring an additional profit of 400 million yuan (\$77 million) to cement producers this year.

But, the Ministry of Materials and Equipment complained that the move had hurt its business and would have adverse effects.

Some scholars said that the government could resort to bolder measures by letting the prices of most materials be turned to the market.

Unemployment Increasing Since Beginning of 1991

HK1205012891 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 12 May 91 p 3

[Text] Unemployment has been on the increase since the beginning of this year due to seasonal slides in construction and industrial production.

The number of workers by the end of March totalled 139.34 million, down 1.25 million over the end of last year.

On a monthly basis, the March figures were 200,000 less than the 139.54 million in February.

However, officials say there is no need to cry wolf as the decline is just a seasonal adjustment and would not last long.

"The decline was caused by the seasonal changes when the land developers and enterprises laid off those temps for budgetary reasons and Spring Festival," said an official from the State Statistical Bureau.

He said that the employment situation is expected to improve in April or May, usually the peak period for construction and industrial production.

Unemployment in China plunged into the doldrums as early as 1989 as the country's austerity programme drove many factories to close down or slash workforces.

Employment only picked up as the government relaxed its grip on financial expenditure. Employment figures then bounced back to a record high of 139.89 million by the end of December.

According to the latest government statistics, the number of people employed in State-owned enterprises was down 531,000 to 102.93 million by the end of March.

Collectively-owned enterprises slashed their workforces by 743,000 to 34.75 million, while foreign-funded and private firms added 21,000 to workforces of 1.67 million.

Meanwhile, in the first three months of this year, wages increased by 16.6 percent to 72.5 billion yuan.

State-owned enterprises hiked wages by 16.5 percent to 56.98 billion yuan and the collectively-owned businesses registered a 15.2 percent rise to 14.28 billion yuan.

Private firms and foreign-funded enterprises continued their fastlane payroll rise by 41.4 percent to 1.24 billion yuan.

In another development, the overall retail price index rose 0.9 percent in March over the same period last year, while the cost of living price index inched up 1.5 percent over the same period last year.

The retail sales price index at government stores jumped 1.7 percent in March.

Energy Minister Optimistic About Future

HK1805030191 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 18, 6 May 91 pp 4-5

[Report by staff correspondent: "China's Energy Industry Expected To Scale New Heights in Coming Five Years: Interviewing Energy Resources Minister Huang Yicheng"]

[Text] In the first quarter of the first year of the Eighth Five-Year Plan, China's energy production scored some success. The State Statistics Bureau's authoritative figures given indicate that from January to March 1991, production of coal, power, oil, and gas increased overall compared with the same period last year! People are interested in how China will ease the shortage of energy supplies in the next five years in order to meet the national economy's development needs. In light of this situation, this reporter interviewed Huang Yicheng, energy resources minister, who is busy arranging the "Eighth Five-Year Plan" in relation to the energy industry.

Energy Is Still an Important Factor Restricting Economic Development

Huang Yicheng, who has been deputy head of the State Planning Commission, has a thorough knowledge of China's energy situation. He first briefed this reporter about the energy industry's progress over the past five years.

As a basic national industry, China's energy industry has developed rapidly since the reform and opening up. During the Seventh Five-Year Plan, the first and second stages of energy production all attained the planned targets one year ahead of schedule. In 1990, during the first stage of energy production, total output reached 1.4 billion tonnes standard coal equivalent, among which coal accounted for 780 million tonnes; oil, 138 million tonnes; and natural gas, 15 billion cubic meters. As the second stage of power production, electricity generated in 1990 was 615 billion kilowatt-hours. At present, yearly coal output ranks China first in the world; power output, fourth; and oil output, fifth, enabling China to become a big energy country watched by the whole

world. The energy industry's rapid development provided an effective guarantee for China's economic development over the past five years.

Huang Yicheng stressed: Although the overall growth of energy in China was fast, the growth of national economy was even faster, and the energy supply shortage situation remains unchanged. For example, in China over the past five years, the first stage of energy production saw a yearly 4 percent increase on the average, while power increased 8.5 percent, but GNP and total industrial and agricultural output value increased 7.7 and 10 percent respectively. Although the situation of shortages in the country's coal and power supply improved somewhat last year due to slower economic growth and market recession, it was only a temporary phenomenon. Since this year, many localities again face power shortages, and energy should still be regarded as an important factor restricting China's economic development.

Energy Development Plan for the Next Five Years

Facing this situation, how would China develop its energy industry in the Eighth Five-Year Plan? Huang Yicheng thinks the first task is to seriously absorb the past experiences and lessons, and in the area of planning, strive to ensure that the speed of energy growth corresponds to the growth speed of the national economy, with no shortfall.

Calculated on the basis that in the next 10 years GNP increases 6 percent annually on the average and industrial and agricultural output value increases 6.1 percent annually on the average, the annual growth speed of energy during the first stage of energy production should reach 3 percent at least, and correspondingly, by 1995, the country's total first-stage energy output should reach 1.2 billion tonnes standard coal; at the same time, in this five-year period, the whole country should strive to save and use 100 million tonnes fewer standard coal, earnestly implementing the principle of "paying attention to both exploration and saving."

According to this goal, the future strategic pattern and measures for energy development in China are mainly:

In the area of coal, the principles of considering local conditions and of developing both hydraulic and coal-driven power generation should be upheld. In particular, construction of hydraulic power should be speeded up, and the key point is to grasp construction of large and medium hydraulic power stations in the areas where there are abundant water resources, such as upstream Huanghe, the main tributaries of the Chang Jiang, the Hongshuihe river valley, the Wu Jiang, and the Lancang Jiang; during the Eighth Five-Year Plan, we will strive to build large and medium hydraulic installation capable of generating an additional 10 million kilowatts. In the area of building coal-driven power generation, priority must be given to building power stations in coal mining areas, to change coal transportation to power generation, to reduce the pressure on the railways carrying coal. The ports along the coastal areas, rivers, railways, and the

loading centers should certainly continue building coal-driven power stations. At the same time, heat and power plants must also be actively developed. In the next five years, we will concentrate our strength to build large hydraulic power stations in Sichuan's Ertan, Guangxi's Longyan, Yunnan's Manwan, Hubei's Gehedang, Hunan's Wuqiangxi, Tibet's Yamzho Yumco, and Qinghai's Lejia Gorge; as well as coal-driven power stations in Yimin, Yuanbo Shan, Suizhong, Shanghai's Waigaoqiao, and Changshu; and the Qingshan Nuclear Power Plant second-phase project, striving to add an average of more than 10 million kilowatts per year in the country. At the same time when we arrange for the construction of power resources, we will work hard on constructing a live wire entanglement, and a rural power network. By 1995, power output should top 810 billion kilowatt-hours, an increase of 192 billion kilowatt-hours over 1990.

In the area of oil, implement the policy of stabilizing east China and developing west China. We will mainly grasp exploration and development of the key oilfields such as Daqing, Shengli, and Liaohe, to guarantee a stable increase in crude oil output in east China. We will concentrate our strength to explore and develop oil and gas resources in west China, especially in the Tarim Basin, and we will also actively create conditions for transportation and work hard to increase output. At the same time, we will actively explore and develop oil and gas fields in the sea, the very shallow sea, and on beaches. Sichuan is the main region for construction and production of natural gas, while exploration and development in the Shaanxi-Gansu-Ningxia Basin, Henan, the central China plain, the Liaoning-Songhua Jiang Basin in northeast China, and the South China Sea must be further strengthened. We demand that during the "Eighth Five-Year Plan", in the whole country, crude oil output increases by an average of 2 million tonnes per year, and that the policy on reducing oil consumption be continuously enforced, to consume another 2 million tonnes less each year, to suit economic development needs.

Through these inputs and constructions, plus the nationwide energy-saving measures, we strive to initially ease the situation of China's energy shortage during the Eighth Five-Year Plan, to guarantee a sustained, stable, and coordinated development of the national economy.

Improve Economic Returns, Develop Potentials

Huang Yicheng said that from this year to 1995, China's energy industry is not only required to attain production and construction targets defined by the "Eighth Five-Year Plan," but also to make efforts to improve productivity and economic returns. This is not only an economic problem, but also a political problem. At present, in China's economic life, input is more, output is less, product quality is poor, consumption of materials is high, and economic returns are low; this situation has not basically changed. Although our development is fast when compared with the past and with the Third World, compared with the level which we should be able to

attain, socialism's superiority has yet to be developed. We still have great potential for development.

Huang Yicheng said that in the past five years, the power industry installed several tens of millions kilowatts, and single-machine capacity increased 27 percent over the first half of the 1980's. However, the number of people using a kilowatt has not decreased correspondingly, it is still five people; large and medium power plants even saw an increase from 3.74 people to four people. We need not compare with the developed countries, by comparing the domestic power plants with one another, we will see obvious differences. This is also true of coal and oil. Judged from materials consumption, construction time, returns on investment, and production costs, no matter from which angle, differences exist in various aspects, and differences are potentials. Therefore, energy departments will make efforts to properly manage and use the currently available facilities, strengthen supervision, and look inward for development of potentials; relying on reform and policy, we will strive to improve energy enterprises' productivity and economic returns, so as to ensure that the energy industry goes to a new stage during the "Eighth Five-Year Plan," and to contribute to overall development of the national economy.

Oil Industry Seeks To Expand Foreign Investment

HK1905021291 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 19 May 91 p 1

[By staff reporter Xu Yuanchao]

[Text] The nation's oil industry is looking for new ways to expand its cooperation with foreign countries, says Wang Tao, general manager of the China National Petroleum Corporation.

Wang, who has just returned from a tour of Japan, Canada and the United States, said his visit was "fruitful," producing nine agreements and letters of intent signed with leading oil firms in those countries.

He told BUSINESS WEEKLY that China's strategy for the next 10 years would be to concentrate on six fields of activity.

Foreign capital would be introduced for geophysical prospecting in northwest China's Tarim Basin, in the Xinjiang Uygur Autonomous Region.

The cooperation will use patented foreign technology to increase the rate of recovery in existing oilfields.

It will encourage foreign oil firms to explore for oil in 10 provinces and one autonomous region on the mainland.

Experts from foreign oil firms will be invited to help in the design and construction of long-distance oil and gas pipelines.

Foreign companies will be invited to offer engineering and technical services and contract projects in Chinese oilfields.

The corporation will introduce skilled people from industrialized countries to work with existing management teams in the oilfields.

During his visit to Japan, Wang Tao signed a memorandum with the Japan National Oil Corporation (JNOC) for geophysical prospecting in the south-western part of the Tarim Basin.

JNOC will invest a large sum of money in the project and provide experts and equipment for the collection of seismic data in the 30,000-kilometre desert area.

The joint operation will last four years and the final agreement is expected to be signed next month.

Wang said the Tarim Basin was looking increasingly important for the development of the nation's oil industry in the next decade. It has also attracted a lot of attention from leading Japanese oil firms.

Chinese hopes to increase its oil exports, and at least sustain the current export volume, in the Eighth Five-Year Plan (1991-95).

"If we depend on the output of the existing oilfields in east China, I don't think we have the ability to increase exports in the next few years," Wang said.

Any reduction in oil exports would hit the economy of Japan, which is one of the major importers of China's oil.

Wang said his corporation would speed up development of oil resources in the Tarim and Turpan-Hami basins to ensure stable oil exports.

Chinese engineers were designing a 3,100-kilometre oil pipeline from the Northwest to central China. Construction was expected to start next year.

An experimental oilfield in Tarim has gone into operation and turned out 174,000 tons of crude oil in the first four months of this year. Output is expected to reach 500,000 tons by the end of the year.

During his visit to Canada, Wang reached two agreements with a Canadian company for scientific research into heavy oil.

China will continue to provide \$450,000 for the research project, in which the country first became involved five years ago. The results of the research will be used to increase the extraction rate of heavy oil in Chinese fields.

China produces about 7.5 million tons of heavy oil annually, making it the fourth largest producer in the world.

A letter of intent signed with an Alberta company concerns joint development of oilsands in the Xinjiang region, he said. A certain area would be set aside as a cooperation area, where Chinese and Canadian companies would work together on oils [as published] and development.

Wang also signed a letter of intent with the Nova company for the building of a 200-kilometre pipeline and an oil refinery in west China.

He said 10 provinces and one autonomous region in south and east China would be opened to international bidding for development rights.

The areas cover 1.83 million square kilometres and have 167 basins. "I've told them," Wang said "we have 167 daughters to marry off. He who comes first gets the prettiest one."

Foreign oil firms would have to carry all the risk in the exploration stage, with Chinese companies joining the operation when they find commercially viable oil flows. Foreign firms will have the option of taking part in the next stage, or withdrawing from the contract.

China's Mining Improves Over Past Decade

OW1705013391 Beijing XINHUA in English
0037 GMT 17 May 91

[Text] Beijing, May 17 (XINHUA)—China has become one of the large mining industrial countries in the world with its more than 8,000 state-owned large and middle sized mines, more than 230,000 collective- and individually-run mines and over five billion tons of ore products a year.

Up to now, China has discovered 162 different minerals and it has verified 142 mineral deposits, many of which are the largest in the world.

In the past decade, about 1,450 localities with mineral resources have been discovered in China. In particular, the oil and natural gas deposits discovered in the Tarim Basin in the Xinjiang Uygur Autonomous Region and in the East China Sea will ensure China's ability to continue its strategic transition of its oil production.

China has also made breakthroughs in the exploration of rare metal deposits, including gold and silver, nonferrous metals and non-metal minerals.

Along with the discovery and exploration of the localities containing a series of mineral resources, China now has more than 300 new cities that are engaged in the mining, energy, raw materials and heavy chemical industries.

Government Plan for 1991 Railway Development

OW1005213691 Beijing XINHUA Domestic Service
in Chinese 2008 GMT 7 May 91

[By correspondent Gu Xiaoming (6253 2556 2494), reporter Wang Yanrong (3769 1693 2837)]

[Text] Beijing, 8 May (XINHUA)—According to the ministry of railways, the state will speed up the construction of railways during the period of the Eighth Five-Year Plan. This year, it plans to invest 9.22 billion yuan, up 11.8 percent over last year, in the capital construction of railways.

According to briefings by the ministry, with an increase in investment, there will be a number of new characteristics in this year's railway construction. First, the investment structure will be readjusted with an increase in the proportion of investment in new lines. In line with the policy of placing equal emphasis on the reconstruction of existing lines and the construction of new ones during the period of the Eighth Five-Year Plan, the ministry will appropriately increase the proportion of investment in the construction of new lines in the coming years and place high on the agenda the construction of new lines linking the various major economic cooperation areas or serving energy development areas. Under this year's plan are 48 large and medium-sized projects on new and existing lines with a total investment of 4.929 billion yuan. These include 15 projects on new lines which account for 42.6 percent of the total investment in large and medium-sized projects on new and existing lines, up 8 percent over last year. In addition, there are 17 projects for laying new railways or for double tracking existing railways, 10 railway electrification projects, and six railway interchange projects. These projects account for 33.9 percent, 18 percent, and 5.5 percent, respectively, of the total investment in large and medium-sized projects on new and existing lines.

Second, the total length of railways to be completed and put into operation this year is substantial. According to this year's plan, China will lay 593 kilometers of new rails, double track 323 kilometers of existing lines, and put into operation 173 kilometers of new rails and 267 kilometers of double-tracked rails. Particularly gratifying is the news that 1,245 kilometers of electrified lines are planned to be put into operation this year, an increase of 694 kilometers over last year. The electrified lines to be put into operation are mainly located along the routes linking Sichuan and Guizhou Provinces, Hunan and Guizhou Provinces, Yingtan and Xiamen cities, Zhengzhou and Wuhan cities, and Lanzhou and Wuhan cities.

Third, there will be an increase in newly commenced projects and projects nearing completion. Projects currently under construction include the second phase of the Daqin new line, and the Xuanhang, Houyue, Baozhong, and Nankun new lines. In addition, the construction of the Hengshang and Jiaohuang new lines will also commence this year. The projects of Fushang line and the marshalling yard at the Xuzhou interchange, which are currently in the finishing stages, will be checked and accepted by the state this year. Another 11 projects, including double-tracking of the Hengguang line, electrification of the Guikun line, the north Shenyang railway station, and the Wuhu and Zhengzhou interchanges will also be completed.

Officials of the Ministry of Railways concerned said: Although the state attaches great importance to the development of railways, the financial situation of the ministry is tight, and construction funds are still insufficient. The ministry of railways will adhere to the

principle of guaranteeing key projects, operating completed railways, and completing railway projects; implement careful calculations and strict budgets, make reasonable arrangements, and try in every possible way to ensure the accomplishment of this year's railway construction tasks.

Minister on Rural Hydroelectric Industry

*HK3004151691 Beijing RENMIN RIBAO in Chinese
17 Apr 91 p 2*

[Article by Yang Zhenhuai (2799 2182 2037), minister of water resources: "Depend on Local Authorities, People To Run Rural Hydroelectric Industry"]

[Text] Under the kind attention of the party Central Committee and the State Council, and after more than five years of hard work, China has overfulfilled the task of conducting tests in establishing a preliminary level of electrification in rural counties. The standard of elementary rural electrification has been reached in 109 counties. "Since heaven has given China more than 5,000 rivers, why should the rural areas be worried about lighting through the night?" Rural hydroelectric industry has become a force that cannot be ignored in China's rural electric undertakings. The number of China's rural hydroelectric stations and the overall scale of installed capacity tops the world. Rural hydroelectricity started from rural lighting and developed into electricity supply for agricultural production and processing of agricultural and sideline products, as well as for township and town enterprises and county-operated industries. These achievements have aroused international interest and favorable comments.

In summing up experiences, one prominent point is: We have to depend on local authorities and the masses to do a good job in rural hydroelectric power undertakings. The reason we have overfulfilled the task of conducting the first group of tests at selected points is because numerous counties are very enthusiastic about running rural hydroelectric power stations. Though not assigned as pilot projects, they still took the initiative in accelerating construction, so that rural hydroelectric power has become a "breakthrough point" for peasants to rid themselves of poverty and get rich, eventually to become "talents by self-study," and reach the standard of elementary electrification in rural areas. Our comrades responsible for leadership work should adroitly guide their action according to circumstances and energetically organize and help them realize their ideals.

Ordinary prefectures and counties can set up power stations and supply electricity on the spot. Small and miniaturized stations can even be run by villages and joint households. Self-reliance and management by the local people with government subsidies are an effective method for developing rural hydroelectric power in numerous localities for many years. The pilot projects, which last for five years, have set up hydroelectric power stations with an overall installed capacity of 1.04 million kilowatts. Power

stations with a capacity of 640,000 kilowatts are still under construction. The total investment is 4.1 billion yuan, of which the state subsidy, which is changed from allocated funds to loans, is only 500 million yuan, accounting for 12.2 percent of the total investment. This shows that it is absolutely possible to build Chinese-style electrified rural counties by chiefly relying on the strength of local authorities and the masses.

During the Eighth Five-Year Plan, we shall continue launching the establishment of the second group of rural counties with preliminary electrification and will still rely on the initiative of local authorities and the masses in running power stations. We shall continue to resolutely carry out the principle of "self-construction, self-management, and self-use," and "developing the power industry by setting up more power stations," with local authorities setting electricity prices and the big power networks adopting the policy of supporting and giving profit concessions to small power networks. In this way, we can better mobilize everybody's enthusiasm in running the power industry and handle rural electrification, which is an undertaking benefiting the people, localities, and the state, in a more down-to-earth and reliable way.

Statistics Bureau Announces More Projects

*OW1605210391 Beijing XINHUA in English
1320 GMT 16 May 91*

[Text] Beijing, May 16 (XINHUA)—The state statistics bureau announced today that China launched 4,750 projects valued above 50,000 yuan each in the first four months of 1991.

An official from the bureau said that the figure represents an increase of almost 50 percent over the same period of last year. The construction capital required for the projects amounted to 803.3 billion yuan, a 15.6 percent increase.

The official said that investments in fixed assets declined in the past two years owing to price increases. Actual investments during 1990 amounted to only 80 percent of the 1988 figure.

According to the official, it is normal that investments in fixed assets have increased this year considering the country's growing GNP.

However, he noted, the key issue is to examine new projects and to ensure that funding is available. Another key issue is to initiate projects in line with state industrial policies so as to improve product structure.

Guangdong Hosts Symposium on Shareholding System

*HK0105122291 Guangzhou Guangdong Provincial
Service in Mandarin 1000 GMT 28 Apr 91*

[Text] The National Symposium on Developing the Socialist Shareholding System was convened at the (Baitunhu) Peasant Vacation Village in Zhuhai City.

Over 100 experts, professors, scholars, and entrepreneurs from academic and enterprise circles across the country attended the symposium. This is the first national symposium wholly devoted to discussing the socialist shareholding system. The topics for discussion and exploration at the symposium include: setting up a socialist shareholding system, the difference between the socialist and capitalist shareholding systems, and the characteristics of the socialist and capitalist shareholding systems.

All the comrades attending the symposium freely expressed their views on the following questions: how to develop a socialist shareholding system, only by developing diverse forms of socialist economy will it be possible to realize standardization and modernization, and the socialist shareholding system will definitely surpass the capitalist shareholding system.

'New Flood' of Foreign Investment Emerging

OW1905054591 Beijing XINHUA in English
0222 GMT 19 May 91

[Text] Beijing, May 19 (XINHUA)—After slowing down for a year and a half, a new flood of overseas investment in China has quietly emerged this year.

Between January and April this year, China approved more than 3,100 new foreign-funded projects, representing a 90 percent rise over the corresponding period of last year, according to today's "CHINA DAILY".

Promised foreign capital for the projects totalled 3.26 billion U.S. dollars, up 164 percent from the same period of last year. Actual overseas investment during the period totalled 857 million U.S. dollars, up 16 percent.

Tong Yizhong, deputy director of the Foreign Investment Administration under the Ministry of Foreign Economic Relations and Trade, said that some big projects are being negotiated, adding that these projects range from car manufacturing, electronic and non-ferrous metal processing industries to petrochemical industry.

He said conglomerates from countries like the United States and Canada had asked permission to establish investment corporations in China to finance new ventures.

China has approved 32,131 overseas-funded projects since 1979, with a total of 43.6 billion U.S. dollars in promised foreign investment.

Actual foreign investment by the end of April hit 19.84 billion U.S. dollars, making China the third largest user of foreign investment among the developing countries.

Tong said that solely foreign-owned ventures sees rapid growth this year and the growth rate of Taiwan investment ranked first while capital inflow from Hong Kong, Japan and Western Europe also registered "marked growth".

Investment from the United States was "steady", he said, mainly from big firms.

Hainan Announces 1st Foreign Investment Regulations

HK1405074391 Beijing RENMIN RIBAO in Chinese
6 May 91 p 1

["Dispatch" by reporter Yan Shigui (7346 0013 6311): "Hainan Province Promulgates Regulations Governing Foreign Investment"]

[Text] Haikou, 3 May (RENMIN RIBAO)—Hainan Province, which treats opening up as its central task, today promulgated its first set of regulations on foreign investment since the province's founding. The regulations, which were adopted 16 March by the 15th meeting of the Standing Committee of the Provincial People's Congress, will play an active role in attracting foreign funds and speeding up the development and construction of the Hainan Special Economic Zone [SEZ].

The regulations on foreign investment in the Hainan SEZ, which now have been promulgated for implementation, have not only systematically sorted out various preferential policies toward foreign investment formulated by the central authorities and Hainan Province, but also absorbed those policies and measures used by other provinces to attract foreign investment and which are suitable to Hainan.

The regulations clearly defined the domains for which foreign investment are encouraged or restricted, investment style, the procedure and documents required for applying for establishing enterprises with foreign investment, preferential treatment and protection for investors, and the problems of foreign exchange management and import and export of materials. Among the domains for which foreign investment is encouraged by the regulations are industry, agriculture, communications, transportation, scientific and technological exploration, tourism, and so on; the deadline for tax payment is also extended.

Hainan Governor Liu Jianfeng said the regulations' promulgation and implementation have provided legal basis and guarantees for further expanding Hainan Province's opening up to the outside world, and for using foreign funds on a large scale.

Shanghai's Pudong Economic Zone Develops

HK1605125491 Beijing RENMIN RIBAO
in Chinese 6 May 91 p 1

["Dispatch" from Shanghai by staff reporter Xiao Guang (5135 7070 2704): "Development of Shanghai's Pudong Economic Zone Gains Momentum"]

[Text] Shanghai, 5 May (RENMIN RIBAO)—The recently concluded Fourth Session of the Ninth Shanghai Municipal People's Congress provided the following information: Up to now there have been 10 China-funded financial organs, six foreign financial organs, and three financial organs of Sino-foreign ventures which have established their branches or affiliated companies in the new Pudong zone. In addition, there have been 20 foreign banks which have submitted their applications

for setting up branches. The first year of the opening up and development of Pudong has become Shanghai's "financial year."

On 18 April last year, on behalf of the CPC Central Committee and the State Council, Premier Li Peng announced a decision on developing and opening up Pudong to the outside world. Since then Shanghai municipality has assigned a forerunning position to the development of tertiary industry in Pudong, including finance, commerce, trade, and so on. Financial undertaking has gained momentum in its development. Ten domestic financial organs have set up their branches or affiliate companies in Pudong. Besides, in accordance with the preferential policies of the state in the interest of the development and opening up of Pudong, two financial companies of Sino-foreign ventures and one international bank of Sino-foreign ventures have also been established. The applications for establishing branches in Shanghai by six foreign banks including First National City Bank of the United States, Bank of America of the United States, Industrial Bank of Japan, Sanwa Bank of Japan, Credit Lyonnais of France, and Banque de l'Indochine of France have been accepted and handled. In addition, the first stock exchange company at home has also been established. The occurrence of so many financial organs has improved the environment in Shanghai, and Pudong new zone in particular in the interest of raising funds.

The departments concerned in Shanghai Municipality have been actively striving for the support of the relevant departments of the central authorities to speed up the construction of commercial and trade center in the new Pudong zone. Preparations have started for a project of building a shopping and service center on Zhangyang Road, which covers an area of 408,000 square meters.

The development of new Pudong zone has started with basic facilities construction projects. Efforts have been made to firmly grasp the construction and preparation work for the 10 major basic facility projects in Pudong. The major sections of the 423-meter river-crossing Nanpu Bridge will be joined in June this year, and open to traffic at the end of this year. The project of a larger Yangpu Bridge will start at the second half of this year. Gas supply will start from the second half of this year with the completion of the second-phase project of Pudong Gasworks. Besides, the following projects will also start this year: project of the Pudong sector of overhead super highway; expansion and diversion project of Yanggao Road; first-phase project of Xingang District in outer Gaoqiao area; project of Lingqiao Waterworks; first-phase project of a power plant in outer Gaoqiao area; eastern Pudong sector's sewage treatment project, telecommunications project, and so on.

The new policy of reform and opening up, and basic facility construction projects which are in full swing have attracted more and more businessmen from abroad. More than 3,000 groups of overseas businessmen consisting of more than 15,000 persons have been received

since May last year. At present, there are 168 projects which are being discussed, or have been carried out, involving a total investment of \$5 billion. Half of those projects are invested by foreign businessmen. Approval has been given to the registration and feasibility reports of 73 projects, in addition to the approval of 36 contracts. In the new zone, there are a total of 73 enterprises run by the three kinds of capital if the previous foreign-funded enterprises are included. The Lujiazui, Jinqiao, and outer Gaoqiao areas, which take the lead in development, have established a joint development company, and entered a stage of land development and compensated transfer of land use right. Shanghai Municipality has promulgated nine policies, laws, and regulations aimed at encouraging other provinces and cities to make investments in the new Pudong zone. There are 12 detailed rules and regulations to be promulgated and enforced this year.

Xue Muqiao Clarifies Theory of Socialist Economy

OW1705184291 Beijing XINHUA in English
0635 GMT 17 May 91

[Text] Beijing, May 17 (XINHUA)—The latest issue of the academic journal "SOCIAL SCIENCES IN CHINA" published an article by prominent economist Xue Muqiao, clarifying some of the theoretical issues concerning a socialist economy.

The article touches on ten major problems about a socialist economy, including planning and market regulation, production and circulation, market, ownership, labour and wages, financial system, banking and enterprise management.

The economist admitted that, due to Soviet influence, a socialist economy had been misconstrued as a planned economy free of market forces until 1978 when China began to introduce the open policy and economic reform.

He said that the economic system in China is in fact a planned commodity economy based on the public ownership of the means of production and that planning must be based on commodity production and the law of value.

Xue said that planning should cover such fields as the balance of the total social demand and the total social supply, the proportionate relations among various sectors of the national economy, i.e. the comprehensive equilibrium that manifests itself in the balance between revenue and expenditure, the balance between credits and payments, the balance between the scope of construction and the supply of the means of production, the balance between consumption funds and the supply of consumer goods, and the balance between foreign exchange receipt and disbursement.

On the production and circulation of various kinds of products, he said, they should be regulated by the market and governed by the law of value.

The noted economist, who had been in charge of pricing, advocated spontaneous regulation of the law of value and free price.

"It is very difficult to calculate the socially necessary labor spent in the production of various kinds of products. So far, not a single socialist country has done it correctly," he said.

He noted that China has lifted limitations on both quantity and prices of non-staple food and clothing. The supply of these commodities is sufficient and the result of the reform is satisfactory, he said.

"Experience in countries all over the world shows that the correct policy should be to keep the money supply under control and free prices. This will align prices and calm the market down, thus promoting further reform," he said.

On market and circulation, Xue said that the market operates smoothly only when all the commodities circulate freely and the relationship among their prices is reasonably maintained by the law of value.

"The market must be open, allowing free circulation of commodities and fair competition among enterprises," he said.

On a planned economy, the article said that even those products that are included in the mandatory plan should gradually be transferred from planned distribution to commodity exchange. The production of the state-run enterprises should change from following the plan to being controlled by the market.

He stated that in the planned sector, more importance should be attached to the guidance plan similar to the indicative plan practiced in Japan.

The article also discussed planned ownership as a means of production, the labor and wage system, the financial system, the banking system and the system of enterprise management.

Anhui's Lu Rongjing on Guiding Rural Reform

HK0105051791 Beijing RENMIN RIBAO in Chinese
15 Apr 91 p 5

[Article by Lu Rongjing (4151 2837 2529), secretary of the Anhui Provincial CPC Committee: "Apply Materialist Dialectics in Guiding Rural Reform"]

[Text] Abstract: With the further development of rural productive forces, there are new conflicts and problems. This makes it necessary for us to grasp the key link in deepening rural reform, i.e., establishing and perfecting the socialized service system, increasing the service function, and improving the double-level management mechanism. If we succeed in grasping the key link, it will play a great positive role economically and politically. Moreover, by grasping this principal contradiction it will also be possible for us to genuinely understand and

handle well the three major relationships between stability and development, between departments and regions, and between operation and service. To accurately and effectively grasp the key link, it is imperative to improve the rural work leadership level of leaders at all levels. Therefore, a key to pushing ahead with the rural reform is to be good at studying theory, strive to improve the art of leadership, and have a good state of mind. [end abstract]

Since the Third Plenary Session of the 11th CPC Central Committee, the widespread institution in China's rural areas of the contracted household responsibility system with remuneration linked to output, which takes the all-round contract system as the main content, has further promoted the liberation of productive forces. It reflects a leap in people's understanding through the great discussion on the criterion of truth and manifests the might of Marxist philosophy. In recent years, under the guidance of Marxist philosophical thought, we have constantly explored new ways to deepen reform in the rural areas. Practice has proven that to continuously deepen rural reform, it is necessary to use scientific world outlook and methodology as a guide and to use a leap in understanding to stimulate a leap in productive forces.

What Is the Key Link in Deepening Rural Reform?

The institution of the contracted household responsibility system with remuneration linked to output, which takes the all-round contract system as the main content, has given China's agricultural production vigor and vitality. Take Anhui Province as an example. Since the institution of the responsibility system 12 years ago, total grain output has risen by 63.5 percent, an average progressive increase of 5.6 percent annually, or 180 percent higher than the average tempo in the 26 years before the reform. The total value of agricultural production has increased by over 100 percent and the growth rates of agriculture, forestry, animal husbandry, sideline occupations, and fisheries far outstrip that in any other period. In those 12 years, Anhui Province provided the state with an average of over 1.8 billion kg of commodity grain each year. Since 1984, it has sold an average of 2.6 billion kg of grain to other provinces each year.

With the development of agricultural productive forces there are some new conflicts and problems. To some extent this has brought peasants new puzzling problems and affected further development of productive forces. These new conflicts are chiefly as follows:

First, the contracted household responsibility system with remuneration linked to output has solved the problem of combining "responsibility, authority, and benefit," and the use of actual work returns as a yardstick for distribution has aroused the peasants' enthusiasm and enabled agricultural production to grow rapidly. But this extraordinary, compensatory increase emerged only after the rectification of egalitarian practice. With the development of productive forces, the economic limitations of being "small but all-inclusive"

have become more apparent. Individual households are not only responsible for the entire process of production, but they also have to conduct services independently before and after production. This has obstructed the growth of division of labor along specialized lines and the improvement of labor efficiency, and affected the growth of secondary and tertiary industries.

Second, the all-round contract system has drastically increased the output of farm produce, making it urgently necessary to set up commodity markets on a certain scale. If there is no link or bridge to closely connect individual operational activities of thousands upon thousands of households, large quantities of farm produce cannot be turned into commodities, the difficulties in buying and selling cannot be resolved, and the supply of materials needed for expanded reproduction cannot be ensured. This will dampen the peasants' enthusiasm for production.

Third, the development of productive forces calls for new technology and peasants need technical services in many ways. But technical services in many localities cannot keep abreast of the situation, still less develop into networks. This has directly affected the progress of agricultural modernization.

Fourth, in the course of rectifying the defects of the original structure, some localities have distributed or used up all collective property. This has affected not only the growth of public welfare undertakings, but also farmland capital construction such as the building of irrigation works, and hindered further improvement in production facilities.

Fifth, the lack of production and service facilities has not only weakened rural cadres' ability to give macro guidance on economic growth but also affected improvement of relations between the party and the masses.

After various contradictions came to light and after conducting repeated investigation and study and summing up experiences and lessons, we came to realize that, following the institution of the contracted household responsibility system with remuneration linked to output, it is necessary to guide the peasants to go on advancing; otherwise, it will be impossible to further develop productive forces. How did we take this step? The key link is to establish and improve the socialized service system, increase service function, and improve the double-level management mechanism. In Anhui, after taking the lead in instituting the agricultural production responsibility system, Chuxian Prefecture grasped the key link of establishing and improving the socialized service system and, in the course of exploration, gradually set up "six stations" (agroeconomic station, agrotechnical station, agricultural machinery station, livestock station, water-control station, power station for agricultural use) and "one company" (township and town supply and marketing company) and developed the service systems into

networks. This made things convenient for the peasants, gave them real benefit, and constantly roused their production enthusiasm.

Lenin said: Social life as a whole is like an endless chain made up of an infinite number of links, and all the art of a politician is to find and firmly grasp the most important link in the whole chain. The current practice of rural reform shows that by grasping the central link of establishing and improving the socialized service system we can spur the whole chain and bring about a new situation in all fields of rural work. In economic terms, it can help peasants resolve various difficulties in production such as cultivation of improved variety, machine ploughing and sowing, drainage of flooded fields, irrigation, prevention and control of plant diseases and elimination of pests, scientific application of fertilizer, chemical weeding, harvesting and transport of crops, and sales of products, thus changing the previous practice of every household worrying about production, spending a lot of money on it but getting poor results. By building a bridge between small peasant-household production on the one hand and socialized big production and big market on the other we can promote rational adjustment of agricultural production structure, stimulate optimum formation and rational distribution of factors of rural productive forces, boost scientific and technological progress, quicken the pace of agricultural commercialization, specialization, and modernization, and achieve the effective combination of planned economy and market regulation. Politically, by doing a good job of services we can promote the development and expansion of new rural collective economy, consolidate the forward position of socialism in the rural areas, and achieve the aim of strengthening the socialist organism. We can promote a change in cadres' style and improvement in their quality, forge closer ties between the party and the masses, increase the unifying force of primary party organizations in the rural areas, consolidate political power at the grass-roots units, and further arouse the enthusiasm of the peasants to take the socialist road.

Keep On Creating in the Course of Practice

The "Proposal of the CPC Central Committee for Formulating the 10-Year Program of National Economic and Social Development and the Eighth Five-Year Plan" approved by the Seventh Plenary Session of the 13th CPC Central Committee stressed, "the focus of deepening rural reform is to vigorously develop the socialized service system, improve and develop the double-level management system whereby unified management is combined with separate management, and gradually develop collective economic strength." This guideline is fully in keeping with the current reality in the rural areas. In our view, it is necessary to lay emphasis on understanding and handling the following three relationships:

First, the relationship between stability and development. That is to say, in terms of guiding ideology we should make clear the relationship between "change" and "no change." To stabilize the rural area, the most important

thing is to stabilize the contracted household responsibility system with remuneration linked to output. At present, by development we chiefly mean establishing and improving the socialized service system and improving the double-level management system. The contracted household responsibility system with remuneration linked to output is a new rural economic system instituted after the reform. It has not only adhered to public ownership of land and the principle of distribution according to work, but also fundamentally transformed the mode of operations. It is basically a system under which the peasants operate on the household basis and are responsible for profits and losses and preserves the contract relationship between peasant households and the collectives. This structure is different from the individual economy of small ownership before the cooperative movement and is a component part of the socialist agricultural economy. At present, the contracted household responsibility system with remuneration linked to output has struck deep root in the hearts of the peasants. After summing the rural reform over the past dozen years or so, we can see that the peasants are most satisfied with the institution of the contracted responsibility system, that they are most worried if the system is changed, and that they are most opposed to taking the beaten track. The peasants are the principal part of production practice. Generally speaking, the aspirations of the vast numbers of peasants reflect the objective demands of the development of productive forces. Good policies and systems which are supported by the broad masses of the people and which have been proven in practice to promote the growth of productive forces must be upheld and remain stable for a long time. However, in line with the objective law governing the movement of things, no "stability" is absolute. The contracted household responsibility system with remuneration linked to output also has a process of coming into being, development, and constant perfection. When this new system developed swiftly and violently and spread extensively, a lot of work relatively lagged behind. As a result, it has left something to be desired from the very start. For example, the institution of the double-level management system whereby unified management is combined with separate management is something that should be included in the new structure. In many localities, however, there is little unified management but much separate management. Therefore, while stabilizing the contracted household responsibility system with remuneration linked to output, we must promptly improve double-level management, establish and improve the socialized service system, and develop and expand the new collective economy. By so doing it not only helps stabilize but also improve and enhance the contracted household responsibility system.

Second, the relationship between departments and regions. This means the relationship between state economic and technical departments and collective service organizations, as well as various other service systems. As a general rule, in the work of establishing and improving a socialized service system, all trades, professions, and departments should

support one another and work in close coordination in order to combine forces and give scope to the overall function. To achieve this in practice, it is necessary to pay attention to the following two points: First, reach a consensus. The vast numbers of cadres should be made to understand that in order to stabilize society, the political situation, and the economy, it is first necessary to stabilize the rural area, agriculture, and peasants. And to stabilize agriculture, develop the rural economy, and bring into full play the enthusiasm of the vast numbers of peasants, it is essential to deepen rural reform, stabilize and improve the contracted household responsibility system with remuneration linked to output, establish and improve the socialized service system, and guide the peasants along the path of common prosperity. Cadres at all levels and in all departments and the masses must reach a consensus on this general orientation and objective. Second, it is necessary to appropriately handle various interests relationships, namely, the relationships between the development of agriculture and of other undertakings, between the interests of peasants and departments, and between social and long-term interests, and gradually develop a multilevel and multiform service network with the state economic and technical departments as the backing, the village collective service organizations as the main body, and various types of people-run service organizations as the supplement. Village collective service organizations serve as a bridge or tie between the service systems of the state economic and technical departments and thousands upon thousands of households, and they are easy to manage and can operate flexibly. They play a leading role in the entire socialized service system. As far as Anhui Province is concerned, socialized service at the village level is still generally weak and accounts for about 40 percent of the overall service capability even in some good areas. That is why we stress that all departments concerned should support village collective service organizations in increasing their service strength, expanding their service channels, improving their service functions, and help them gradually develop in such a way as to give services to all areas instead of key points, provide comprehensive instead of single-item services, and offer high-level instead of low-level services. Moreover, it should be stressed that all state economic and technical departments which are directly oriented to peasant masses and serve agriculture should voluntarily serve the growth of agricultural production and rural economy; the competent units of these departments should, in line with the principle of tightening or relaxing unified control as necessary, streamline administration and institute decentralization. The service organizations run by the peasants themselves, such as various associations, funds, service stations, and shopping centers, have close ties with the masses and have diversified forms. They have played an important role in rural commodity production in recent years. We should take them as an important supplement force of the rural socialized service system and, while stepping up management and guidance, encourage and support their development.

Third, the relationship between operation and service. This means the relationship between enterprise results and social effect [she hui xiao yi 4357 2585 2400 4135]. We call on all

socialized service organizations and entities to handle well the relationship between social effect and economic results, organically combine both of them, and persist in putting services in the first place. At no time should we deviate from the great objective of serving agriculture and peasants. When providing services to peasants, we should uphold the principle of voluntary participation, low profit, and convenience. We should never be contaminated by the styles of government office in feudal China, of government commerce, and of speculation and profiteering. Still less should we put profit above everything or even cheat or harm peasants in the name of offering services. Naturally, in providing services to peasants, we should not pay all attention to service at the expense of economic results. With the development of rural commodity economy, we should gradually practice the principle of commercialization in agricultural service work. After moving toward operations and services, the relevant departments and units, in particular, should follow the law of value and the principle of exchange at equal value and provide paid service fairly and rationally. Only when we act according to the law of value can we increase the vitality and strength of service organizations, develop a benign cycle of "running entities around services and running them well to stimulate services," and more satisfactorily provide high-level and multifunctional services to peasants. To guide service organizations and entities to handle well the relationship between operation and service, we should also stress two points: First, have a good grasp of the policy and define the scope of paid and free services. Many localities in our province stipulate that, in providing services for the growth of rural commodity economy, all kinds of service organizations belonging to the state, the collectives, or individuals, which have the character of enterprises or institutions, may collect relevant charges according to the principle of being fair and rational, and give paid services. However, in providing various services, party and government organs at all levels can only give free services and they are not allowed to collect charges from the peasants unless there are explicit stipulations. Party and government organs do not directly operate economic entities to make it easier for them to improve guidance and coordination and, when necessary, to engage in administrative intervention. Second, it is necessary to take service as the aim, rely on operation, and combine service and operation. By launching coordinated and service-related operational activities service organizations can not only solve the problem of supporting themselves in service work but also gradually increase collective accumulation. Not only can the peasants get urgently needed coordinated services but they can also do more things with less trouble.

In establishing and developing the rural socialized service system, we can vigorously boost work in other fields and get satisfactory results if we can lay emphasis on solving contradictions in the fields of guiding ideology, operation direction, and management structure.

The Key Lies in Improving Leadership Level

Establishing the socialized service system is a major step in building new socialist rural areas and a basic task of

the party in the rural areas. We should grasp it firmly and unswervingly. The key to whether or not it can be grasped well lies in the leadership level.

To improve their level, leaders at all levels should first be good at studying. They should work hard to study Marxism, improve their theoretical level, and particularly their accomplishments at Marxist philosophical theory. We profoundly realize that given the constantly developing situation, a leading cadre, especially one at the county level or above, should improve his skill of grasping the overall situation and consciously and voluntarily apply materialist dialectics in analyzing and understanding the situation and in directing work. It is necessary to learn from books; it is even more necessary to learn from the masses in practice and conduct more investigation and study. As a key to the deepening of rural reform, socialized service involves a wide range of issues and tasks. If cadres at all levels have no idea of how things stand or are not clear about the situation, it is sure to affect work adversely. In recent years, apart from attaching importance to investigation and study on different categories of issues and keeping track of them, the provincial party committee has also called on leading cadres in all prefectures and counties to conscientiously conduct investigation and study, sum up experience, form their own lines of thought, and work out long-term planning so that they can have a good idea of how things stand and proceed in an orderly and step by step manner.

To improve leadership level, it is necessary to work hard to improve the art of leadership. Deepening rural reform is a complicated systems engineering project. This makes it necessary for our cadres at all levels to be good at applying materialist dialectics in specific work methods, persist in proceeding from reality, and avoid doing things by fits and starts or in rigid uniformity. Giving generalized leadership is no different from giving up leadership and giving subjective leadership is even worse than having no leadership. The level of productive forces is uneven in different parts of Anhui and, therefore, reform should never be conducted in quick march. We often pay attention to overcoming the practice of oversimplification and generalization in work, give guidance to different categories, and make bold explorations. For example, we never follow the same pattern on such issues as the deployment of rural service centers and the types of service organizations. Although they are diversified in form, there is only one aim, i.e., they must help develop productive forces.

To improve leadership level, it is also necessary to have a good state of mind. That is to say, while respecting the objective laws, we should give full scope to subjective initiative and carry forward the pioneering spirit of hard struggle. Deepening rural reform and establishing and developing the socialized service system is a major event related to the immediate interests of the vast numbers of peasants and is the responsibility of every communist. It is necessary for leading cadres at all levels to rouse themselves and join in the work with full enthusiasm. Establishing the rural socialized service system is a

brand-new task. Due to the effect of traditional ideas, the fetters of old interest relationships, and the lack of ready-made experience to go by, we will probably meet considerable obstacles and setbacks at the beginning. Therefore, the spiritual state, leadership level, and leadership art of leaders are crucial to whether or not this work can be smoothly carried out and yield results.

Transregional Cooperation Gears Up

OW1405080391 Beijing XINHUA in English
0640 GMT 14 May 91

[Text] Lanzhou, May 14 (XINHUA)—Trans-regional economic cooperation, which aims to break down local economic blockades and share the advantages of all for the common prosperity of the regions involved, is gaining momentum in China.

To date, more than 100 cooperative projects have been launched amongst provinces and autonomous regions, areas bordering each other, and cities in different provinces and regions in China.

Twelve cities and counties bordering Shaanxi, Gansu and Sichuan Provinces entered into an economic cooperation area five years ago. The area covers 160,000 sq km and has a population of 22 million. It has abundant natural resources and economic identity.

However, the area used to suffer from economic blockades imposed by the three neighboring provinces, stifling it in a semi-closed state. For instance, some provinces banned the sale of some of the scarce raw materials to other provinces or sold the materials to the provinces in need at much higher prices than they sold them in their own areas.

The area remained poor for decades owing to its inadequate development of the commodity economy and difficulty in fully tapping its economic advantages.

In the past five years, these provinces began to share their raw materials and technology. The joint efforts by all the parties involved in the cooperative project have boosted the local economy and have helped improve the living standards of the poor in the area.

Li Jun, mayor of Baoji City in Shaanxi and the person in charge of the cooperative project, said that in the past

five years the Shaanxi-Gansu-Sichuan border area has launched 5,500 economic and technical projects, introduced nearly 600 million yuan in funds, developed 1,200 new types of products, and enhanced profits and taxes by 240 million yuan.

The commodity and trade fairs co-sponsored by the cooperative area have recorded transactions worth 10.4 billion yuan over the past five years, he said.

To date, the trans-regional cooperation in the country has expanded to cover production, science, technology, goods distribution, resources exploration and environmental protection.

The combined advantages obtained by the cooperation has accelerated economic restructuring and local economic growth.

The cooperative and coordinating society with coastal Jiangsu Province's Nanjing City as the center was established in 1986. Now the society membership has enlarged to 18 prefectures and cities in Jiangsu, Anhui and Jiangxi Provinces.

Cooperation in the area has promoted the establishment of commodity, material, financial and scientific markets. At these markets, a total of 5,000 cooperative agreements have been signed, eight billion yuan of funds borrowed or lent, and 300 billion yuan worth of goods traded.

In recent years, the five provinces and autonomous regions in southwest China have jointly pooled 490 million yuan in funds to complete 17 border highways and five highway bridges, greatly improving accessibility to each other.

However, prior to the initiation of the cooperative schemes, the sections of highway connecting the neighboring areas in different provinces used to remain unfinished owing to the endless disputes over which side should spend money to construct each section.

The trans-regional cooperation has attracted the attention of the State Council, the State Planning Commission and the relevant research institutes.

The State Planning Commission plans to take effective measures to encourage the further development of such cooperation.

East Region

Anhui Accelerates Trade, Economic Development

OW2005041491 Beijing XINHUA in English
0216 GMT 20 May 91

[Text] Hefei, May 20 (XINHUA)—The Anhui provincial government recently announced a decision to accelerate the opening of four cities along the Yangtze river in order to promote economic development in the province.

Development plans for the four cities—Ma'anshan, Wuhu, Tongling and Anqing, have been formulated and the construction of infrastructure in the cities has been accelerated.

Wuhu city, an important commercial port throughout Chinese history, recently completed construction of the Zhujiafu foreign-trade port and the installation of a program-controlled telephone service which increased the number of telephones in the province by 12,000.

The port located in Ma'anshan city has also been approved as a first-rate port and is designed to load cargo for direct shipment abroad.

Key state-owned enterprises in the cities, such as the Ma'anshan Iron and Steel Company, the Tongling Non-ferrous Metals Industry Corporation and the Anqing Petrochemical Plant, have all signed contracts with foreign counterparts and have received foreign funding.

More than 40 foreign-funded enterprises were registered in the four cities by the end of March, 1991.

The Anhui provincial government reports that the four cities, which are located along the Yangtze river, have developed close economic ties with Shanghai and the Yangtze delta area. In addition, they say that the Pudong new area has provided the cities with new opportunities for development.

The government selected Wuhu as a key area for development and designated it as the first of the four cities eligible for preferential policies.

Construction is also being accelerated at the Qianm-achang economic development park in Wuhu city.

Technology Zone Established in Jiangsu City

OW1605212891 Nanjing XINHUA RIBAO
in Chinese 8 May 91 p 1

[Text] The State Science and Technology Commission recently approved the establishment of a zone for development of advanced technological industry in Nantong. This will be the second time such zone is established in the province. The first one was built in Nanjing's Pukou.

The Nantong Advanced Technological Development Zone is located inside Nantong's economic and technological development zone. The State Council approved a plan to build an economic and technological development zone in Nantong in 1984. After five years of construction and

development, the zone has achieved initial success in becoming an important window for the province and the Changjiang delta in economics and technology. At present, basic construction of the zone, such as transportation, communications, water, and power supply, has been accomplished. Construction of standard factory buildings with a total floor space of 179,000 square meters and service facilities has been finished and put into operation. The zone also has a customs office, a commodity inspection center, banks, a tax bureau, and guesthouses for foreigners. Of total production by 87 enterprises in the zone, about 20 percent is by advanced technological industry.

Currently, Nantong City is formulating preferential policies to promote advanced technological industry in the zone. In accordance with the principle of "bringing local advantages into play, increasing new projects, and developing step by step," priority will be given to the development of biological, new materials, information, micro-electronic, and highly-efficient energy saving technologies so as to promote the sound development of advanced technological industry.

Pudong Area Boosts Foreign Investment in Jiangsu

OW1905183391 Beijing XINHUA in English
1134 GMT 19 May 91

[Text] Nanjing, May 19 (XINHUA)—The opening up of the Pudong New Development Area in Shanghai has provided an opportunity for the development of the southern part of Jiangsu Province.

This year alone more than a thousand foreign businessmen have visited cities in southern Jiangsu Province, such as Suzhou, Wuxi, Changzhou and Zhenjiang, to investigate investment opportunities.

Statistics released by the Suzhou City Government show that since January over one hundred foreign funded enterprises have been approved in the city.

In addition, more than hundred groups of foreign businessmen from Germany, Japan and Southeast Asian countries, who were investigating business opportunities had visited Wuxi City through April. City officials report that at least a dozen co-operative projects are currently being negotiated.

Two recently completed factory buildings in Changzhou have already been purchased by foreign businessmen.

Southern Jiangsu Province, which is located in the Yangtze River delta, is one of China's economically developed areas. The province has a highly developed rural industry and processing industry and offers a favorable investment environment for foreign businessmen.

The four major cities in southern Jiangsu have approved more than 1,000 foreign funded enterprises, and a number of them have already began production activities.

Along with the opening of the Pudong New Area in Shanghai, the four cities plan to establish new districts and

industrial areas for foreign investment and co-operation. The new areas will concentrate on the development of high technology, land leasing services and tourist resources.

In order to take advantage of increasing investment in the region, the four cities have decided to encourage their best enterprises to co-operate with their foreign counterparts and have formulated regulations aimed at promoting development and co-operation.

Jiang Chunyun Attends Activity for Handicapped

SK2005055391 Jinan Shandong People's Radio Network in Mandarin 2200 GMT 19 May 91

[Text] On 19 May, designated as the first national day of helping the handicapped, the help-the-handicapped day activities were vigorously launched in Jinan, capital of the province. Along the (Dabei) No. 2 Road and at the five centers named as "Being At One in Helping the Handicapped," which were established at (Lixia), (Hua-yin), (Tianqiao), (Licheng), and Jinan iron and steel plant, some 15,000 persons participated in the activities to help the handicapped.

That morning, responsible comrades of the province and Jinan City, and the Jinan Military Region, and the provincial armed police force, including Jiang Chunyun, Gao Changli, Zhu Yongshun, Lu Hong, Zhang Ruifeng, Zhou Zhenxing, and Ma Lianli zestfully participated in the help-the-handicapped day activities, and visited the masses who rendered service to the handicapped along the road.

At the service counter of the Jinan new flax textile mill, while seeing the honorable medal of national advanced house of the handicapped, which was recently received by this plant, Jiang Chunyun and some other leaders extended congratulations to comrades of the plant. Then, Jiang Chunyun said: Your title is very glorious. Serving the handicapped is the virtue of the Chinese nation as well as a specific manifestation of the superiority of our socialism. We all should enthusiastically participate in this activity, and do as many good and tangible deeds as possible for the handicapped.

At the (Dabei) No. 2 Road, Jiang Chunyun also visited three deaf-mute couples. In 1987, Secretary Jiang presided over the wedding ceremony of these three couples. That day, when these three couples again met Secretary Jiang with their sons held in their arms, their aspiration of letting Secretary Jiang see their sons was fulfilled. [passage omitted]

Shandong Democratic Construction Plenum Ends

SK1705070791 Jinan Shandong People's Radio Network in Mandarin 2200 GMT 16 May 91

[Text] The third plenary session of the third provincial committee of China democratic national construction ended in Jinan on 16 May.

Through examinations and discussions, the session approved the work report of the provincial committee of

China democratic national construction and elected members of the third provincial committee of China democratic national construction.

In line with the actual conditions of the province and by displaying the special characteristics of having established close contacts with economic circles, the members participating in the session deeply discussed the issue of suggesting ways and means for achieving success and being dedicated to the campaign of fixing 1991 as year of quality, varieties, and efficiency.

The session urged that the organizations of China democratic national construction at various levels across the province and their members should further display their functions for participating in and discussing political affairs, conducting consultation, and carrying out supervision; and dedicate themselves to realizing the province's 10-year program for national economic and social development and the Eighth Five-Year Plan.

Shanghai's Huang Ju Meets Du Pont Chairman

OW1605144491 Shanghai People's Radio Network in Mandarin 2200 GMT 14 May 91

[From the "Morning News" program]

[Text] Shanghai Mayor Huang Ju met Chairman Woolard, of the Du Pont Company of the United States, and his party at the Hongqiao Guesthouse yesterday.

Huang Ju expressed his welcome for U.S. Du Pont Company's establishing a joint venture in Shanghai. He expressed his belief that the prospect for cooperation between the two sides will be good.

Woolard said that the Du Pont Company will further enlarge economic and technological cooperation with Shanghai and make contributions to the development and construction of Shanghai's new Pudong district.

Ni Zhifu Addresses Shanghai Trade Union Meeting

OW2005021491 Shanghai People's Radio Network in Mandarin 0900 GMT 18 May 91

[By correspondent (LI Jingfen), reporter (Zhao Wenlong); from the "Morning News" program]

[Text] A meeting to commend Shanghai Municipality's advanced trade unions and outstanding trade union workers and activists was ceremoniously held this afternoon at the Huxi Workers' Theater.

Ni Zhifu, vice chairman of the Standing Committee of the National People's Congress and president of the All China Federation of Trade Unions; Chen Bingquan, vice president of the All China Federation of Trade Unions; and Ni Hongfu, deputy secretary of the Shanghai Municipal CPC Committee, attended the meeting.

The resolution of the Shanghai Municipal Trade Union Council on commending the advanced trade unions and

outstanding trade union workers and activists was read at the meeting. At the same time, the Shanghai No. 5 Iron and Steel Works and 120 other grass-roots trade unions were given the honorary title of Advanced Trade Unions, Lu Huiqiang and 221 other comrades the honorary title of Outstanding Trade Union Worker, and Yu Huili and 492 other comrades the honorary title of Outstanding Trade Union Activist.

In his speech Ni Zhifu, president of the All China Federation of Trade Unions, expressed satisfaction over trade union work in Shanghai. He said: Pudong's development and Shanghai's revitalization concern the overall economic development of the entire nation and the great cause of carrying out socialist modernization with Chinese characteristics. I hope that under the leadership of the municipal party committee, the working class of Shanghai will work hard in an innovative and creative way to make new and greater contributions.

In his speech, Ni Hongfu, deputy secretary of the municipal party committee, hoped that trade unions at all levels and the vast number of trade union cadres and activists in Shanghai would actively and creatively promote trade union work of their own accord, and would actively coordinate with governments at all levels and with enterprise leaders in organizing and driving the vast number of workers to play an active role in invigorating large and medium-sized enterprises; in participating in the Quality, Variety, and Efficiency Year activities; and in building socialist spiritual civilization.

Jiang Rong, chairman of the Municipal Trade Union Council, gave a speech entitled: Strengthen One's Development and Contribute Toward Shanghai's Revitalization.

Zhejiang's Li Zemin Urges Family Planning

OW1905181891 Hangzhou ZHEJIANG RIBAO
in Chinese 9 May 91 p 1

[Text] In the early spring of this year, the office of the secretary of the Zhejiang Provincial CPC Committee called another meeting to study family planning work. Regarding the problem of securing funds for family planning work, Li Zemin, secretary of the provincial CPC committee, said that even if the province has financial difficulties, it must allocate money from reserve funds every year to ensure there will be necessary funds for family planning during the Eighth Five-Year Plan period.

A tradition has been formed and a trend has been set for leaders in our province to personally involve themselves in family planning work. During the Seventh Five-Year Plan period, Zhejiang maintained its annual natural population growth at 9.4 percent and achieved actual control of overall population at 120,000 people fewer than its target. Eleven localities in the province showed even development in family planning work; their family planning rates were all maintained at or above 90 percent. Zhejiang turned in one of the best provincial performances in implementing population planning during the Seventh Five-Year Plan period. A total of 38

townships and villages were rated provincial red banner units in family planning work; 203 townships and villages were rated provincial family planning advanced units; and 181 leading cadres at city, county, district, and township levels were rated provincial family planning advanced workers.

As early as 1979, the provincial CPC committee and provincial government decided to mobilize manpower from provincial level organs and from some cities and prefectures to form provincial government investigation teams and tackle family planning problems in Wenzhou, an area then noted for the serious phenomenon of people exceeding birth plans and for great difficulties in family planning work. At special send-off meetings for investigation teams, leading provincial CPC committee and provincial government cadres urged team members to do a good job in launching propaganda work on family planning, ideological education, and to dare to meet difficulties head on and boldly carry out their work. In 1982 and 1983, the provincial party secretary called on party members and cadres to take the lead in setting examples in family planning work at two provincial family planning mobilization meetings. When one of the provincial deputy party secretaries was transferred to work in another area, he spoke to the director of provincial family planning committee: "I had held partial responsibility for Zhejiang family planning for the last three years. I am now going to take over discipline inspection. If party members and cadres violate family planning, please let me know." Another deputy provincial party secretary was transferred to the provincial advisory committee; he still heads the provincial family planning association, still making suggestions and offering ideas on family planning work. After 1986, when the dense population of Zhejiang was buffeted by the third wave of high births, the provincial governor reiterated the unwavering goals of population planning, stressed the "dual track" control of implementing birth policy and plan targets, and reiterated the need for sharing the burdens of work for subordinate units. Provincial CPC committee Secretary Li Zemin has never failed to address the annual work conference on family planning since he began working in Zhejiang three years ago. In the first year, he talked about a sense of urgency; the second year he stressed awareness of per capita share; the third year he emphasized his sense of responsibility. Taking into consideration different periods and different problems, he advanced different demands. Xu Xingguan, vice governor and member of the standing committee of the provincial CPC committee, is now in charge of family planning. He does a good job in family planning, as he once did in agricultural production. After he took over this job, he established a system under which every year the provincial government signs family planning target management responsibility agreements with city (prefecture) governments. To help solve problems of establishing family planning offices and family planning management for transients, he directly sought coordination with leaders of relevant departments to secure funds and to ensure timely

implementation of necessary measures. He also investigated areas that lagged behind in family planning work and established contacts.

Provincial-level leading cadres who take the lead in setting examples in family planning work have inspired various leading cadres at prefecture, city, and county level governments throughout the province. Liu Xirong, member of the standing committee of the provincial CPC committee and secretary of the Wenzhou City CPC Committee, said that family planning work is a difficult job in rural areas. Family planning work is like a grinding stone, which can best test a person. In the nine years since 1982, Liu Xirong had been directly involved in organizing each year's family planning propaganda month; he also lectured at each meeting. In his capacity as the head of a family planning lecturing group, he once visited the Wenzhou suburbs and made 80 speeches. During one spring festival, he braved a big snowstorm to visit a remote county called Taishun to convey the care and concerns of the party and government and comforted women who had had abortions. As a result, family planning work in Wenzhou achieved marked progress, resulting in a rise of the family planning rate from 53.90 percent in 1981 to 93.76 percent in 1990. Natural population growth was kept at 7.93 percent.

No sooner had Si Daxiao, party secretary of Lishui Prefecture, arrived at his post than he put family planning work high on his agenda. The family planning rate in this prefecture was only 78.71 percent back in 1988. Si Daxiao convened a meeting to which cadres from townships and villages lagging behind in family planning attended. Cadres competent in economic matters realized for the first time that if they did not stress family planning work, their areas would become backward. One after another, they made promises, signed responsibility agreements, and pledged to change the situation within a year. He then visited Wanshan District in Qingtian County, which had a very dismal record in family planning work throughout the prefecture. He strictly handled the problem of unauthorized births, beginning with party members and cadres, thus inaugurating a new situation in family planning work in that district. Finally, the family planning rate of Wanshan district, once one of the province's most backward areas, reached over 90 percent in 1990.

Qingyuan County, which borders Fujian, finished last in 1986 in family planning work. In the winter of that year, county party Secretary Xu Peijin headed a work group of 160 to tackle family planning work in the most backward areas of Qingyuan County. As a result, the family planning rate in Qingyuan County rose to 96 percent in 1990, compared with 49 percent five years ago. Xu Peijin was also rated as one of the nation's outstanding family planning advanced workers.

Top leaders in townships (villages), at the forefront of family planning work, constantly sum up experiences and enhance their abilities from work practice. Party Secretary Cai Yongfang of Chenshan Village, Wenling

County, has had four transfers to different townships and villages in eight years. He has never lost sight of family planning work. The method of "work should be reasonable and remarks should be rational," which he summed up from work, has been promoted in grass-roots units throughout the province. He was rated both provincially and nationally as an advanced individual in family planning work. There have been three major leadership reshuffles in the party committee of Fengtong Township, Jiashan County, in the last ten years. All party committees accorded equal importance to population control, just as they did to the economy. There has also been a change of concept among township-level leading cadres who now turn their attention from pursuing total industrial and agricultural production value to that of per capita share, which helped the township achieve new progress in family planning work.

In April 1991, the provincial government called another provincial family planning work conference. On behalf of the provincial government, Governor Ge Hongsheng signed family planning target management agreements for 1991 with leaders of various prefectures and cities. At that meeting, provincial party secretary Li Zemin said that "we will be responsible for central government's population program in the Eighth Five-Year Plan Period. Comrade Ge Hongsheng and I will be responsible for family planning work in the province. As for family planning work in prefectures, cities, and counties, party secretaries, commissioners, mayors, and county heads will be responsible. Let us make concerted efforts, and work hard to accomplish our province's population control plan."

High-Tech Development Zone Opens in Zhejiang

OW1905183191 Beijing XINHUA in English
1129 GMT 19 May 91

[Text] Hangzhou, May 19 (XINHUA)—A development zone geared to new high technology research and production is in place near the west lake in Hangzhou, the capital of east China's Zhejiang Province.

The new zone, which was approved by the State Council, covers 10.6 square kilometers and includes 13 universities, 19 research institutes and 30 electronics enterprises which employ over 10,000 technicians.

About 200 enterprises from across the country have applied to operate in the zone, and thus far 32 applications have been approved by the local government.

The zone will give priority to the electronics industry in areas including program-controlled telephone switchboards, integrated circuits, thick-film resistors and various other types of transistors, according to Hangzhou Mayor Lu Wenge.

The zone will help the province to keep abreast of new technological development trends in the world, upgrade local technology and participate in the world market, said Lu.

Foreign Investment Boosts Zhejiang Real Estate

OW1905194891 Beijing XINHUA in English
1034 GMT 19 May 91

[Text] Hangzhou, May 19 (XINHUA)—Foreign-oriented real estate business has developed rapidly in Hangzhou City, capital of east China's Zhejiang Province, in recent years.

By the end of 1990 the city has built 30,000 sq m [square meters] of houses for overseas consumers.

Hangzhou is noted for its scenic west lake in the world. In recent years, more and more overseas Chinese and foreign businessmen working in the city have purchased apartments there.

Ren Guohua, general manager of the Hangzhou Real Estate Corporation, said that the opening up of the Pudong New Area in Shanghai has brought about bright prospects for foreign-oriented real estate business in Hangzhou.

He said that the real estate business in Hangzhou is expanding, and to meet new demands his company is developing villas instead of apartment buildings for overseas Chinese and foreign businessmen.

Central-South Region

New Guangdong Acting Governor Queried

HK1405133191 Guangzhou Guangdong People's Radio
Network in Mandarin 1000 GMT 11 May 91

[Text] At the 20th session of the seventh provincial people's congress standing committee, which ended yesterday afternoon, Comrade Zhu Senlin was appointed as vice governor and acting governor of Guangdong.

At 2000 summer time [1200 GMT] yesterday evening, this station's reporters (Hu Xiangming) and (Deng Zhongbing) had an interview with Comrade Zhu Senlin.

[Reporter] You hold the positions of Guangzhou mayor and party secretary and you were appointed acting governor of Guangdong today. Since you will have to deal with work in more fields and with more people, I should like to know how you are planning to adapt yourself to the change.

[Zhu] I fully realize the weight of my responsibilities. I used to work for the Guangzhou government, and now I have to work for the provincial government. I will have to deal with more people and tackle more problems. Take only the population for an example. Guangzhou has a population of 6.3 million while Guangdong has a population of 63 million. A bigger population will certainly entail more issues which I have never experienced before. It will be difficult for me to perform my duties well. I am fully aware that I am not equal to my present position in terms of my intelligence and capability. In the future I will try my best to carry on my work to live up to the party's expectations. In my view, to

perform my official duties well, I must act in line with the party's correct line, principles, and policies, and the provincial party committee's correct guidance. In addition, I have to rely upon the collective wisdom of the provincial government staff and of the broad ranks of cadres and the masses in all areas throughout the province. At the same time, I have to set on myself strict demands as follows: Study hard, blaze new trails, strengthen unity, be honest in performing official duties, and be pragmatic. In particular, I must study hard in the first place. On the one hand, I have to strengthen the study of basic Marxist theories and socialist economic theories and apply them to the study of actual conditions to master the laws of economic construction and social development to facilitate my action, and on the other, I should learn from the broad ranks of cadres and the masses and from provincial government cadres with an open mind, consulting veteran experienced cadres to familiarize myself with my new tasks as soon as possible and add to achievements already made by the provincial government. Meanwhile, I believe that I should be enterprising, bold in exploring new things, strengthen unity, work in full cooperation with others, be faithful in the discharge of my duties, talk less, and do more solid things so as to push forward reform and opening and the building of the two civilizations under the leadership of the CPC Central Committee, the State Council, and the provincial party committee, under the supervision of the provincial people's congress and with its support, and with the common efforts of the provincial government staff and the people across the province.

[Reporter] This year is the first year for the Eighth Five-Year Plan. How will you guide the people throughout the province to carry through the plan?

[Zhu] This question is difficult to answer. I can only tell you my plan in brief. The central authorities set a high demand on the Guangdong government and so do the people across the province. In June last year, the general secretary made an inspection tour of Guangdong. While fully affirming the achievements made by Guangdong, he demanded that we continue to firmly implement the CPC Central Committee's policy toward Guangdong and that we advance at a greater speed. He said: It is necessary to seek stability, improvement, and development, promote technological progress, create new experiences, and produce qualified people in a bid to build socialism with Chinese characteristics. This year is the first year of the Eighth Five-Year Plan and 10-Year Program and having the work for this year well done is of paramount importance. The provincial government will conscientiously carry on the work as planned. For myself, it is necessary to make thorough investigations and studies with a definite purpose in mind and in a planned way to familiarize myself with the actual conditions. Only then can I proceed from reality in all my actions and have the work well done.

Guangdong Businessmen Given Ideological Training

HK1705033591 Hong Kong HONGKONG STANDARD
in English 17 May 91 p 11

[BY Cary Huang]

[Text] Private businessmen in some major cities of Guangdong have been called to take part in "training programmes" as part of Beijing's ideological indoctrination for the business sector.

Local authorities in the province have used them to acquaint the businessmen with relevant laws and policies.

According to a Shenzhen official, tens of thousands of self-employed businessmen in the city were involved in training programmes last year.

"Several tens of thousands of private businessmen sat in the classrooms to complete a short term training programme called 'ten thousand learning class' last year," said Zhang Dishen, deputy secretary-general of the Association of Self-Employed Labour. The association is responsible for the administration of private business and its office-bearers are from the government.

However, instead of imposing political indoctrination, the classes focused on studies of commercial laws and regulations, and government policies related to business.

Mr Zhang said that by holding such classes private business could enhance their legal awareness.

"We hope most businessmen can abide with law in business operations," Mr Zhang said.

"It is in vain to talk too much theory (ideological indoctrination) with them."

Mr Zhang said his association had conducted many similar classes in the past several years, but denied they were political indoctrination.

An official from Guangzhou's Bureau of Industry and Commerce said the city had run many programmes for private entrepreneurs to learn commercial laws and regulations.

"We have sponsored many programmes for private business owners on commercial laws and regulations, such as trademark law and copyright law," said the official who only identified himself as Mr Yu.

Guangdong Hi-Tech Development Reported

Hong Kong Cooperation Sought

HK1905022491 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 19 May 91 p 2

[By staff reporter Zheng Caixiong]

[Text] Guangzhou—Guangdong Province, in South China, is seeking further cooperation in the field of high technology with neighbouring Hong Kong, in the Eighth Five-Year Plan (1991-95), an official from the Provincial Economic Commission said.

"High technology cooperation in industries like electronics, genetic engineering, new materials, quality

chemicals, telecommunications and advanced machine tools, will be particularly encouraged in the years ahead," the official said.

The setting up of new Sino-Hong Kong electronic firms producing computer chips, printed circuit boards and other high tech products in Guangzhou, Shenzhen and Huizhou, in the southern province, was a sign that Hong Kong had begun to move its high tech production to Guangdong Province, thanks to the government's efforts in recent years to improve the environment for investment there.

The official added that Hong Kong had moved 90 percent of electronic production to Guangdong.

"It is a golden chance for the southern region of the province to open up to the outside world by cooperating with Hong Kong to develop high technology industries in the years to come," the official said.

Such cooperation could help bring Guangdong Province up with the latest world market trends and provide the province with more marketing channels. Hong Kong, in return, could use the mainland work force to develop the high technology industry.

"Guangdong Province and Hong Kong have had very close relations in economic cooperation and development in the past year," the official added.

Statistics show that southern Guangdong had 14,000 registered foreign-fund enterprises by the end of last year—more than 40 percent of the total in the whole country. About 75 percent of them have been established with Hong Kong capital.

With central government approval, Guangdong has set up three hi-tech industrial zones, with special preferential policies, to attract more cooperation.

These zones are now taking shape in Guangzhou, capital of the province, Shenzhen and Zhongshan, in the Pearl River Delta.

Incentives to investors in the zones include guaranteed loans and a 15 percent income tax reduction.

Newly established enterprises with Chinese and foreign investment are exempt from income tax for two years, beginning with the first year in which they make a profit.

Export products processed in the hi-tech zones using imported materials and parts, may be exempt from import duty and other taxes.

The official said the local governments would provide companies with the buildings, warehouses, labourers and skilled workers they needed, in the hi-tech zones.

Zhongshan Sees New Enterprises

*OW1905024191 Beijing XINHUA in English
0155 GMT 19 May 91*

[Text] Guangzhou, May 19 (XINHUA)—Officials in south China's Zhongshan high-technology development zone, which is located in Guangdong Province, said that three high-tech enterprises have gone into operation in the zone.

They told reporters that since March of last year the development zone has signed contracts with research organizations for 16 joint development projects.

According to the officials, over 20 hectares of land in the zone now have water and power supplies, and over 66 hectares will be developed during the first phase of the project.

They said that standard factory buildings with a total floor space of 42,500 square meters, and 5,000 square meters of dormitories have been completed and are ready for occupancy.

In addition, the zone has begun construction of another 80,000 square meters of standard workshops.

Direct-dial telephone services now link the zone with more than 190 foreign countries and regions, and over 700 cities in China.

According to these officials, enterprises in the zone enjoy tax benefits and access to priority loans. Researchers will also enjoy preferential treatment concerning their inventions.

The Zhongshan high-tech development zone is located in close proximity to Hong Kong and Macao, and enjoys better access to information and transportation compared to the country's 25 other high-tech development zones, according to the officials.

The zone is jointly managed by the State Science and Technology Commission, the Guangdong provincial government and the Zhongshan city government.

Reports on Guangdong's Shenzhen Economic Zone

Open Bonded Market Planned

*OW1605031791 Beijing XINHUA in English
1423 GMT 15 May 91*

[Text] Shenzhen, May 15 (XINHUA)—Vice-Mayor of Shenzhen Li Guangzhen announced here today that Shenzhen, one of China's five special economic zones, which is located in Guangdong Province, will open a bonded market for machinery beginning from May 21.

Speaking at a news conference today, the vice-mayor said this will be the first market of its kind in China, and that its establishment indicates that Shenzhen will speedup export-oriented economic development, while further opening to the outside world.

According to the vice-mayor, the market will use bonding and tax exemptions to obtain goods from abroad that are needed by the city.

The market will have special sub-markets for metals, building materials, machinery and electrical appliances, chemicals and pharmaceuticals, agricultural machinery, textiles, packaging materials and electronic components.

A recent survey revealed that enterprises in the special economic zone import goods valued at over three billion U.S. dollars per year.

Stock Market Rules Issued

*OW1605032491 Beijing XINHUA in English
1501 GMT 15 May 91*

[Text] Shenzhen, May 15 (XINHUA)—The government of Shenzhen issued regulations today for the stock exchange in the Shenzhen Special Economic Zone located in south China's Guangdong Province.

The volume of today's exchange at the market jumped to over 5.6 million yuan, one of the most active trading days thus far this year. Three of the five stocks traded on the Shenzhen exchange rebounded from declines in the past few months.

The regulations cover stock trading rules, as well as administration measures and penalties for violations of the regulations.

Shenzhen is the second Chinese city after Shanghai to experiment with a stock market. Last year, the value of stock transactions on the Shenzhen exchange exceeded 1.76 billion yuan. At present there are five enterprises listed on the market, and 12 stock trading companies in the city. The face value of stocks issued thus far is over 270 million yuan, while the market value is near five billion yuan.

Stock experts say that the stock market experiment in Shenzhen has helped to attract foreign funds, and to put idle capital to work for society.

Officials' Housing Probed

*OW1805140791 Beijing XINHUA in English
1317 GMT 18 May 91*

[Text] Shenzhen, May 18 (XINHUA)—Shenzhen City in its two years of investigation of abusing power to seek for personal housing by government officials has revealed 429 such cases.

The Shenzhen government said at a conference here yesterday that 26 of the cases have been placed on file for further investigation, involving 26 officials. And eight typical cases have been settled.

According to the conference, all together 980,500 yuan have been fined and 2,600 sq. meters of land have been recalled by government departments concerned in the past two years.

About 76 state-owned apartments occupied by officials have been taken back by the government.

The investigation on officials' housing situation began in June 1989. Some 3,100 people in all units in Shenzhen were involved in the work.

Zheng Liangyu, mayor of Shenzhen, said at the conference that from now on the work of house administration and construction in Shenzhen must accept supervision by the procuratorial organs, in order to put an end to all unhealthy tendencies existed in housing.

Reports on Guangdong's Shantou Economic Zone

Cadres Punished on Housing Acts

HK1705004391 Beijing ZHONGGUO XINWEN SHE in English 1404 GMT 16 May 91

["Over Twenty Cadres in Shantou Punished for Unscrupulous Housing Practices"—ZHONGGUO XINWEN SHE headline]

[Text] Shantou, May 16 (CNS)—Twenty-three cadres in the Shantou municipality have been disciplined by the party and government for unscrupulous housing practices involving abusing their authority. Some of them have been referred to the judicial authorities for punishment in accordance with the law. All the property illegally acquired by them has been confiscated.

Statistics show that throughout the whole municipality 48 such cases have been filed for investigation since early last year to the end of April this year. Twenty-three people, six of whom were chiefs of division, were punished according to party and government disciplinary rules. Moreover, over 1,300 cadres have been punished by economic measures.

Over 100 publicly-owned houses, covering a total area of over 4,000 sq. metres, were wrongly occupied by cadres. These have been taken back by the municipal authorities within a period of over a year.

Guangao Attracts Investment

OW1505062791 Beijing XINHUA Domestic Service in Chinese 2006 GMT 13 May 91

[By correspondent Huang Yuxin (7806 5148 2450) and reporter Li Hu (2621 3337)]

[Text] Shantou, 14 May (XINHUA)—The Guangao Development Area in the Shantou Special Economic Zone, which sits at the foot of a mountain and faces the sea, offers a quiet and beautiful environment, and was little known to outsiders in the past, but has now become a popular place for investment and tourism.

Today, there are over 20 enterprises partially or wholly foreign-owned, and nearly 100 enterprises jointly or individually run in the Guangao Development Area. An industrial structure, composed mainly of the textile,

machine-building, light, building material, and food industries, has taken shape with initial success. Tourism has also quietly flourished here. The vacation villages, half hidden in the mountain woods, and the scenic spots on the beaches have attracted hundreds of thousands of tourists from overseas and at home annually. A setup, with industrial development playing the main role, and commerce, agriculture, tourism, and real estate developing simultaneously has emerged.

The Guangao Development Area is located on the east side of Dahao Island. Since it was incorporated into the Shantou Special Economic Zone at the end of 1984, roads, water and power supply systems, communications facilities, and other infrastructures in this area have been continually improved. In addition, the area authorities have raised work efficiency, offered good-quality services, and given preferential treatment to investors in terms of charges for the use of land, renting factory buildings, water and power supply, and labor. In the course of development and construction, large area, greater environment, and big projects are integrated with small area, lesser environment, and small projects. They promote the construction of the greater environment by developing the small areas.

Currently, in the Guangao Development Area a combination of the Donghu and Daitou industrial zones, Nanhu Taiwan Businessmen's Investment Zone, and Shiling and Houjiang processing zones advancing side by side has taken shape. The Donghu industrial zone is a multifunctional, comprehensive development area, where most of the plants are pollution-free, export-orientated, medium and small enterprises. Today, factory buildings with 33,859 square meters in floor space have been constructed, and more than 10 Taiwan and foreign firms have invested here. The Nanhu Taiwan Businessmen's Investment Zone is 1.2 square kms in area. After construction in the past year and more, roads, water and power supply systems, and communications facilities have been completed or installed. Factory buildings with 50,000 square meters in floor space have also been constructed. In addition, investors are provided with more than 500 mu of nongratisuitous land for industrial use. There are now over 10 enterprises partially or wholly foreign-owned in this zone.

The prospects for developing the Guangao area in the Shantou Special Economic Zone are bright. Highways radiate in all directions. A main highway, 23 meters in width and 25 kms in total length, lies across the zone and links the Guangzhou-Shantou and Shenzhen-Shantou highways. An undersea water pipeline, 15 kms in total length, has been laid, and water supply has already started. A project to supply industry with water is also completed. Telecommunications now directly reach all major countries and regions, while the first-phase work of a 300,000 program control telephone exchange system will soon be completed. The Guangzhou-Meixian-Shantou Railway and the Guangao Bay Deep-water Port are now under construction. The construction of a bridge linking Guangao and Shantou's urban area

and spanning the sea and the construction of the Shenzhen-Shantou Expressway linking with the bridge will also start soon.

Soldiers Said on 'Crime Spree'

HK1405015391 Hong Kong HONGKONG STANDARD in English 14 May 91 p 1

[By Cary Huang]

[Text] People's Liberation Army soldiers stationed in Shantou and newcomers to the city are reported to have gone on a crime spree recently.

And the local police force has not been able to bring the situation under control.

According to local government officials and residents robbery, theft, burglary and crimes of violence are widespread.

The authorities have found the situation almost uncontrollable with PLA soldiers taking refuge in their barracks after their crime sprees.

Three people were killed and several others injured in March. This was unprecedented in a city with a population of just over half a million, said a local official.

Several residents interviewed by the HONGKONG STANDARD recently reported that they, their relatives and friends had been the victims of robberies or burglaries.

"The situation is so bad that outsiders will not believe it," said one resident.

Another said: "It seems we have no protection at all. We have to take care of ourselves. The situation has deteriorated since the locally-stationed soldiers began taking part in the crimes."

Guangdong's Zhuhai Zone Builds Infrastructure

OW1705033091 Beijing XINHUA in English 0150 GMT 17 May 91

[Text] Zhuhai, May 17 (XINHUA)—South China's Zhuhai Special Economic Zone is speeding the construction of ports, bridges and other infrastructural projects in order to further improve the investment environment.

A 90 square kilometer deep-water port has taken shape since a dike was recently extended to an off-shore island known as Gaolan.

In an area east of the dike, Zhuhai City planners are considering reclaiming a 50 square kilometer section of land east of the dike and develop it into an industrial site. The area will be linked to the city proper by an expressway.

Construction began earlier this month on a 2,950 meter Zhuhai Bridge which spans the Xijiang River. When completed, the bridge will help reduce the time required to drive from the western development area to the city center from one hour and a half to only 20 minutes.

The area's improving investment environment has aroused the interest of many foreign businessmen. Two foreign businesses have expressed their intent to open factories in the zone, with a total investment of over 490 million U.S. dollars. Negotiations are also underway for a power plant with a generating capacity of between 2.4 million to 3.6 million kilowatts.

Reports on Guangxi Drought Continue

Cause, Effects Detailed

OW0405020491 Beijing XINHUA in English 0157 GMT 4 May 91

[Text] Beijing, May 4 (XINHUA)—South China's Guangxi Zhuang Autonomous Region is suffering from a severe drought due to a lack of precipitation in most parts of the region since last winter, the "PEOPLE'S DAILY" reported today.

According to the newspaper, more than 9,700 rivers in the region have run dry, and 36,800 pools and reservoirs have dried up. As a result, some 2.6 million people and 1.6 million head of livestock have difficulty finding enough water to drink.

At the same time, some 776,000 ha of cropland is being affected by the drought, said the newspaper.

Local governments in the region have organized manpower and material resources to combat the problems.

By the end of April this year, the autonomous regional government had raised 37 million yuan and allocated 63,100 tons of diesel oil to help fight the drought, the newspaper said.

Rainfall Relieves Region

HK1305105291 Beijing ZHONGGUO XINWEN SHE in Chinese 0410 GMT 10 May 91

[Report: "Rainfall Over Most of Guangxi"—ZHONGGUO XINWEN SHE headline]

[Text] Nanning, 10 May (ZHONGGUO XINWEN SHE)—Much-needed rainfall since 6 May on most of Guangxi has basically relieved the region of a serious drought rarely seen over the last 40 years.

Since the beginning of this spring, Guangxi had little rainfall but experienced high temperatures, which led to the rarely seen spring drought. By late April, 20 percent of the region's large and medium-sized reservoirs had ceased supplying water; over 36,000 hill ponds and water supply depots and 9,000 streams dried out; over one million hectares of farm products were hit by the droughts and 2.6 million people and 1.6 million livestock had problems getting drinking water. Affected by the droughts and as midsummer was nearing, the region was able to complete only half of the planned early-crop transplantation area.

Starting on 6 May, however, rain dropped on Guangxi's 78 counties and cities, with over 50 mm rainfall in 31 counties and cities such as Cangwu, Pingnan, and Sanjiang; 25 mm in 23 counties; and Guilin, Wuzhou, Liuzhou, and Yulin Cities were basically relieved of serious droughts. But some of the counties in Bose, Nanning, Hechi, and Qinzhou Prefectures experienced only light rainfall and are still in drought. There are reports that before the rainfall, the region each day threw some 5,000-strong manpower into the drought-fighting effort.

Hunan's Xiong Qingquan on Support for Handicapped

HK1605020391 Changsha Hunan People's Radio Network in Mandarin 2200 GMT 14 May 91

[Text] Our province's 13-member delegation, which has just attended a national conference on commending advanced collectives and individuals excelling in assisting handicapped people and commending strong-willed handicapped people, returned to Changsha yesterday.

Yesterday afternoon Xiong Qingquan, provincial party committee secretary, Chen Bangzhu, provincial governor, and leaders of the provincial people's congress, advisory committee, Chinese People's Political Consultative Conference committee, military district, armed police corps, and other relevant departments met and held talks with the delegation members.

During the talks, Comrade Xiong Qingquan said: The commendation conference held recently in Beijing was a ceremonious one reflecting the party and government's great concern for handicapped people as well as the cause of handicapped people. Such great concern can be witnessed only in our socialist China led by the Communist Party. China will officially start enforcing the PRC Law for Protecting the Handicapped as of 15 May. The promulgation and enforcement of this law fully embody the superiorities of the socialist system. Constantly striving to become stronger and helping and supporting handicapped people are traditional virtues of our Chinese nation. All handicapped people should develop the spirit of constantly striving to become stronger. On the other hand, the whole society should respect, understand, show concern for, and help handicapped people. Party and government organs at all levels must support the cause of handicapped people and do more realistic things for them.

(Dai Jierong), (Zhang Qingfu), and other representatives of strong-willed handicapped people also spoke during the talks. They pledged to continue to develop the spirit of constantly striving to become stronger in their everyday life and work and exert their utmost to make due contributions to the society in the future.

Southwest Region

Speculation on Fate of Tibet's Hu Jintao

HK1805023691 Hong Kong SOUTH CHINA MORNING POST in English 18 May 91 p 8

[By Willy Wo-Lap Lam and Daniel Kwan]

[Text] Mystery surrounds the fate of the party boss of Tibet, Mr Hu Jintao, who has not appeared in public since January 29.

Chinese sources said Mr Hu, 49, a key protege of the late party chief Mr Hu Yaobang, might have been transferred out of the sensitive position he had held since 1988.

Mr Hu did not take part in the people's congress of the autonomous region in April. He also failed to show up during important religious and political festivities beginning in early March.

And when the Vice-Chairman of the National People's Congress, Mr Ngapoi Ngawang Jigme flew into Lhasa on Wednesday to lay the ground for the celebration next Thursday of the 40th anniversary of communist rule, he was received at the airport by Mr Hu's deputy, executive vice-party secretary Mr Raidi.

A diplomatic analyst said: "Hu took up his Tibet posting in late 1988, when anti-Han Chinese riots had already taken place.

"However, he may have been censured for failing to improve the law-and-order situation."

Among potential successors to Mr Hu is another vice-party secretary, Mr Zhang Xuezhong.

A vice-governor of the northwest Gansu province since 1989, Mr Zhang was transferred to Tibet early this year.

While Mr Zhang's new appointment has never been announced by Beijing, he made his first appearance in the Tibetan media in late March.

Analysts say Mr Hu may also have been sidelined because of his liberal affiliations. A member of the so-called Communist Youth League, Mr Hu is close to many cadres who have been punished because of their association with the pro-democracy protests in 1989.

When Mr Hu was in Beijing during the Lunar New Year in mid-February, he reportedly told friends that his health had suffered during his Lhasa posting. Mr Hu may not have returned to Tibet since then.

Speaking in Hong Kong yesterday, the Director of the News and Publishing Bureau of Tibet, Mr Lopsang Phuntsog, refused to comment on Mr Hu's fate.

Mr Lopsang admitted, however, that it was the Communist Party's Propaganda Department in Lhasa which made the decision to scrap a scheduled tour for local and foreign journalists to the "roof of the world" next week.

The director made the remark before the opening of a Tibetan book fair to celebrate the 40th anniversary of communist rule in Tibet.

Speaking on the same occasion yesterday, Mr Zhang Junsheng, Vice-Director of the NEW CHINA NEWS AGENCY, said the press visit was cancelled due to a lack

of resources in Tibet as thousands of visitors had already been invited to the celebration.

"It was cancelled because there were not enough facilities in Lhasa to accommodate the journalists. It has nothing to do with the situations in Lhasa," Mr Zhang said.

He also said his agency would consider organising another press tour to Tibet later this year.

In his opening speech, Mr Zhang surprised his guests by attacking Western countries for "spreading false rumours about Tibet to defame China".

'Backgrounder' on Tibet's 'Peaceful Liberation'

OW1805054691 Beijing XINHUA in English
0110 GMT 18 May 91

[Background Behind Principle for Tibet's Peaceful Liberation (Tibet's Today and Yesterday Backgrounder)—XINHUA headline]

[Text] Beijing, May 18 (XINHUA)—In 1950, when the central people's government ordered the People's Liberation Army to advance into Tibet and stressed the need to consolidate the national defence, the principle for Tibet's peaceful liberation was announced.

Why did the central people's government make the decision to peacefully liberate Tibet? Given the victorious national liberation, there existed a good possibility for Tibet to be peacefully liberated.

Estrangement resulting from historic reasons existed between the Tibetan people and the people of other nationalities throughout China, in particular with the Han people, and adopting the principle for Tibet's peaceful liberation would help avoid hurting the feelings of the Tibetan people and increasing national estrangement.

Peaceful liberation conformed with the interests and aspiration of the broad masses of the Tibetan people, as well as of the Tibetan nationality and patriotic personages in Tibet's religious circle. It also conformed with the common interest and aspiration of the people of other nationalities in the country.

Facts indicate that this principle received support from the patriotic personages and the broad masses of people in Tibet. In the local Tibetan Government, there were also people in the upper strata represented by Ngapoi Ngawang Jigmei who proposed to the Kasha to negotiate with the central government on the possibility of peaceful liberation.

However, the principle for Tibet's peaceful liberation failed to win an immediate response from the local Tibetan Government with Dagzha as its regent.

XINHUA Reports Changes, Progress in Tibet

Gyaincain on 'National Unity'

OW1005131091 Beijing XINHUA Domestic Service
in Chinese 0304 GMT 8 May 91

[By reporters Yang Quanxin (2799 0356 2450), Duo Qiong (1122 4522)]

[Excerpts] Lhasa, 8 May (XINHUA)—Speaking on the prospects for the future development of Tibet, deputies attending the Fourth Session of the Fifth Tibetan Autonomous Regional People's Congress held that the leadership collective of the party Central Committee of the third generation have carried forward and developed the party's policy towards nationalities and laid the basic groundwork for the further prosperity and stability of Tibet. [passage omitted]

You Ge, director of the regional nationalities and religious affairs commission, said: Not a single step in Tibet's development in the past 40 years since its peaceful liberation could be separated from the party's policy towards nationalities. The peaceful liberation and democratic reform had brought about earth-shaking changes to the Tibetan social system and enabled Tibetans to take charge of their homeland for the first time. Since then, all policies and measures implemented by the party Central Committee have been aimed at bringing about stability and development in Tibet and meeting the needs of the masses, thus ushering in, shortly after democratic reform, the first ever "golden era" in Tibet's traditional agriculture and animal husbandry, which had been strangled and repressed by the feudal serf system. Since the Third Plenary Session of the 11th CPC Central Committee, the party Central Committee has implemented the policy of rehabilitation in Tibet and implemented the "two long-term consistent" measures in rural areas. These have greatly mobilized the peasants and herdsman's enthusiasm for production and brought about yet another round of tremendous development in agriculture. Tibet's total grain production last year beat the 500 million-kilogram mark for the first time. Therefore, we may say, there would never be the Tibet today without the party's policy towards nationalities.

Gyaincain Norbu, chairman of the autonomous regional government, said: The great success achieved by Tibet during the past 40 years was the result of the implementation of the party's policy of "national unity, national equality, autonomy of minority nationality areas, and common prosperity among various nationalities" in Tibet. Over the past 40 years, Tibet has been modernizing its primitive way of agricultural management and production; its industry has grown out of nothing and is beginning to take shape; it has made unprecedented headway in power generation, transportation, posts and telecommunications, education, and science and technology; its foreign trade and tourism are enjoying initial prosperity and are still growing. In short, Tibet has experienced remarkable growth in its economic strength and all trades are thriving in a way never seen in history. All these have helped lay the groundwork for

Tibet to further leap forward during the last decade of the 20th century. Anyone who is not evasive of reality would agree that all these achievements were attained under the correct leadership and loving care of the party Central Committee, as well as the support of the people of various nationalities across the country. [passage omitted]

Former Serf Notes Optimism

OW1705093491 Beijing XINHUA in English
0705 GMT 17 May 91

[Text] Lhasa, May 17 (XINHUA)—Like other former serfs in Tibet, Nyima Cering in Kaisong village some 300 km southeast of Lhasa, capital of the autonomous region, claims he lives a very happy today.

Nyima and his family now live in a spacious Tibetan-style house. Their fields produce more than enough food grain for their consumption, and they also earn several thousand yuan a year from doing business in slack farming seasons.

During the Tibetan Lunar New Year holidays last February, the family bought half a beef cattle and five sheep for their own consumption.

"Such a good life could not be imagined when we were serfs," 56-year-old Nyima said.

Before the democratic reform in 1959, Kaisong village used to be the site of the manor of a minister of the local government of Tibet, and 98 percent of its 300 odd villagers were serfs under this the feudal lord.

Nyima became a serf at the age of eight, after his father, also a serf, who was tortured to death by the lord. According to a survey made in 1959, in Kaisong 50 serfs were beaten to death and 149 died of hunger in the 50 years before the peaceful liberation of Tibet in 1951. In addition, each year about a dozen people had to sell themselves into serfdom to repay their debts.

In the manor Nyima had to do all kinds of jobs—cutting firewood, carrying water and tilling the fields.

Though he toiled like a beast of burden, he was often beaten by the serf-owner. Once the lord told Nyima's mother, "Nyima Cering belongs to me, not to you. I can roll him into a dough and put it in my bag, or turn him into a belt and put it around my waist. He has nothing to do with you."

The feudal lord told the serfs, "you are suffering from the sins you had committed in your previous existence, you should endure all this and you may pin your hopes for your next round of lives."

In the democratic reform in 1959, the serfs in Kaisong won their freedom. They hailed, "the sun of the nobles has set, and the sun for us has risen." Nyima, then 24, was elected a member of the villagers' committee. Young Nyima led the villagers in developing production, and people all trusted him.

For three times Nyima and other former serfs were invited by the government to visit big cities in the interior, including Beijing, Shanghai and Wuhan.

"Those visits were really thrilling," Nyima recalled. "Before 1959 the only city I had been to was Lhasa, but I went there not as a visitor but as a laborer carrying goods for the lord, and I had no idea what the city was like."

Two years ago, Nyima retired from the post on the villagers' committee, but he still cares for the village affairs.

"Now we have enough supply of electricity, chemical fertilizer and pesticide, and as long as we work hard, we will surely build up an even better life," Nyima said.

The village's population has grown from 300 to more than 700. The villagers now own one truck, three large tractors and 63 walking tractors, and other farm machinery. All households have surplus grain, and they sell 140,000 kg of grain to the state a year. Villagers' new houses have overshadowed the three-story mansions of the former feudal lord. The former serfs, who had little idea about bank notes in the old days, now have an average income of 620 yuan a year.

Most striking changes are in the life of the younger generation. All school-age children in the village are now attending primary school, a number of them have graduated from middle school, and the first college student from the village is now studying at the Beijing-based Central Institute for Nationalities.

Nyima often tells his sufferings under the feudal serf system to his children, and asks them never to forget. He also urges them to work hard and earn the right to an even better life for themselves.

Bridges, Roads Constructed

OW1805092891 Beijing XINHUA in English
0613 GMT 18 May 91

[Text] Lhasa, May 18 (XINHUA)—More than 500 bridges have been built in southwest China's Tibet Autonomous Region since it was peacefully liberated 40 years ago.

Lin Daoxun, a senior engineer who has helped build dozens of bridges in the region, told XINHUA that the bridges have played an important role in the economic development in Tibet.

The region, commonly called "the roof of the world", is the source of the famous Lancang, Nujiang, Yarlung Zangbo and Lhasa Rivers. Moreover, the region also embraces more than 1,500 highland lakes, each of which serves as the source for dozens of large and small rivers.

Three large bridges have been built on the Lhasa River in 1953, 1965 and 1984, respectively.

The construction of bridges in Tibet has not only brought great conveniences to Tibetans, but also helped in the construction of highways.

These bridges include the traditional wood bridges, rattan-woven bridges, steel-frame and wooden-frame bridges, T-frame steel bridges, reinforced prestress bridges and suspension bridges.

Changes Seen in Previous Tibetan 'Home of Exiles'

OW1705033691 Beijing XINHUA in English
0141 GMT 16 May 91

[Text] Lhasa, May 17 (XINHUA)—Zhunba, which is located in the mountains 400 kilometers southeast of Lhasa, used to be the home of exiles cast out by the old Tibetan government and is referred to in local folk songs as "the place where eagles cannot fly."

Not long ago, two XINHUA reporters journeyed to Zhunba by car, tractor and mule. The reporters traveled the last 30 kilometers on mules which gingerly traversed the cliffs along narrow paths that used to be the old post road. The sounds of the flowing river below drowned out the ring of the bells which were hanging from the necks of the mules.

However, according to Gaile, who was exiled some 44 years before, the paths used to be even more dangerous, and neither mules nor horses could negotiate the trail. Gaile said that wooden ladders as high as 40 stories could be found at some places on the cliff, and that if a person was not careful, he might fall and disappear into the river. Not long ago, however, the state built a new post road and five wooden bridges along the river.

Gaile, 66, is the only survivor from a group of people exiled to Zhunba by the old Tibetan government. According to Gaile, the law in old Tibet was cruel, and to be exiled meant a lifetime of humiliation and torment.

Gaile said that an exiled prisoner would be whipped and dressed in a white woolen fabric gown before he was expelled from Lhasa. The prisoner was forced to ride to the land of exiles on the back of a bull, and along the way the prisoner would be severely whipped in every county. The punishment would be administered by the "meeting whip" as he entered the county, and by the "sending whip" as he departed.

The lashing Gaile received in Lhasa bruised and lacerated his buttocks, and like a corpse when he was tied to the back of a bull and sent to Zhunba.

"I had no regrets," Gaile remarked, "I was simply a pious lama traveling from Ganzi in Sichuan to the Sera Temple in Lhasa to study Buddhist scriptures. I was arrested because I took part in a protest against the murder of Raizheng, a patriotic living Buddha. Four of my fellow lamas died in the prison at the foot of Potala Palace."

When Gaile arrived in Zhunba there were already more than 20 households and 150 people. "Apart from the exiled prisoners, there were other refugees from all parts of the region", he recalled. Because of the beating, Gaile was on the verge of death, and was bedridden for two

years and had to be fed by other villagers. At times when he stood up his buttocks and thigh atrophied severely.

Lobu Lhagyai, 70, is a descendant of the refugees said that he had fed Gaile during that period. The old man went on to say that his parents had fled from Nyingchi to Zhunba to escape corvée labor. The local government did not let them off easy, however, and they were required to pay tribute, including highland barley, rice, butter, wood ware, and honey. Because no rice and honey were produced in Zhunba, they had to get their grain ration from people in southern Tibet. "There was no place where one could escape corvée labor, and we lived a hungry life," said Lobu Lhagyai.

Zhunba town now has a government, a clinic, a shop and a school. Since the 1980's, the state has exempted the peasants from taxation, and has allocated every family 2,000 yuan for building houses.

Gaile invited the two reporters to his house which was a three-story building furnished with a complete set of furniture. While listening to a song on the tape recorder, his daughter was knitting, and his son was at a sewing machine, busy with a new dress. Gaile's storehouse contained a large stock of grain, meat and animal skins. Last year he reaped a good harvest and he is now having a two-year supply of grain. According to Gaile, his family earned over 1,000 yuan in income from sideline activities. In addition, he said that the family ate mainly rice and flour. The highland barley was used to brew wine.

Samdan, the town governor, said that Zhunba is located at a relatively low latitude and that the weather is humid, thereby allowing for two crops per year. Agriculture in Zhunba has developed rapidly due to efforts to build terraced fields and irrigation canals. While the grain supply is sufficient, the town has also developed sideline activities including timber processing, production of medical materials, and hunting. Last year, the per capita income of the 365 residents reached 481 yuan.

Another resident named Samdan graduated from Zhunba Primary School, where he learned the Tibetan language and mathematics. Samdan said that Gaile was the only literate person in the Zhunba area in 1959. Since then, however, the state sent teachers and has allocated funds to open a primary school. At present, the more than 20 pupils who attend the primary school are provided with food, clothing, and rooms free of charge. Good pupils can further their studies at the county middle school. Over 63 percent of the school age children in Zhunba have now entered school—a figure much higher than the average in Tibet.

However, the educated younger generation feel differently about Zhunba as their elders. Just as they were leaving Zhunba, the two reporters met 23-years-old Dagwa who said: "As the descendant of exiled prisoners and refugees, we regard Zhunba as our happy land, but we cannot stay in the mountains forever." Dagwa and the other young people from Zhunba often leave the mountains for the county and Lhasa to trade local

products for daily necessities. Many also work away from the mountains to earn money.

The ideas of the young people are also quite different from those of the older generation. Dagwa said that at a recent festival, a well-known singer who in the past sang only sad melodies changed his style and sang numerous happy folk songs. According to Dagwa the young people love popular songs in Tibetan language.

Dagwa was perplexed by the difficulty of transport to Zhunba. As a result of their appeals, the county has submitted a report to high-level departments to ask for an allocation of funds to build a new road. "If the road is built, we will see even greater things," said Dagwa.

Tibet Book Exhibition Celebrates Publishing Surge

*OW1705183391 Beijing XINHUA in English
1526 GMT 17 May 91*

[Text] Lhasa, May 17 (XINHUA)—As part of activities to mark the 40th anniversary of the peaceful liberation of Tibet, a book exhibition was opened today in Lhasa.

Over 1,500 books and more than 30 periodicals honoring the anniversary, which falls on May 23, are on display.

Publishing in Tibet has grown from none to its present status. The XINHUA Bookstore, the biggest bookstore in China, now operates 67 bookstores in the region which is home to some 320 publishers.

In 1990, total sales of books in the region exceeded 3.2 million yuan, a 14-fold increase over forty years ago.

Gyibug Puncogcedain, vice-chairman of the Tibet Autonomous Region People's government, said that the publications contribute to the spread of scientific and cultural knowledge, help to develop classic national culture and provide for the dissemination of the party lines and policy in Tibet.

North Region

Beijing Plans To Attract More Foreign Investors

*HK2005025891 Beijing CHINA DAILY in English
20 May 91 p 2*

[By staff reporters Zhu Ling and Qu Yingpu]

[Text] Beijing is embarking on an ambitious plan to attract more foreign investment and the municipal government has set targets aimed at pushing the city's economic development into a new stage.

Mayor Chen Xitong has presided at five meetings since January, pressing hard for an industrious target of establishing 350 new overseas-funded projects this year. Zhang Ming, director of the Beijing Municipal Foreign Economic Relations and Trade Commission, told CHINA DAILY yesterday.

The city's counties and districts have established their own foreign economic relations and trade committees to realize the mayor's ambition, said Zhang, 48, a physics major who became director of the commission in July 1988.

Each of the districts and counties has also been required to set up a special group to promote foreign investment. The groups are headed by each of the district's top leader and consist of its highest officials in charge of economic planning, urban construction, environmental issues and energy supply, he said.

"The groups will solve any problems that foreign investors run into," Zhang said.

Each district or county is now planning to designate a special area for industrial development involving foreign investment. These areas will enjoy preferential treatment in terms of the energy and water supply.

To compete with the coastal areas, Zhang said, the municipal government has decided to exempt foreign-invested enterprises from paying with foreign currency when buying such necessities as gas.

The new measures have so far proven fruitful. Between January and April, Beijing approved 190 new overseas-funded projects with a total of \$97.55 million in promised foreign investment. The number of new foreign-funded projects in 1991 represents an increase of 146 percent over the same period last year, while the value of the foreign investments is up 3.12 times.

Of the projects, 174 are manufacturing ventures and 16 are in the service sector.

The new ventures bring the number of foreign-funded projects approved by Beijing since 1979 to 1,027, and they bring the total promised overseas investment to \$2.29 billion.

The 1,027 projects approved break down into 918 Sino-foreign equity joint ventures, 41 co-operative ventures and 68 solely foreign-owned ventures.

Hong Kong has been the top investor in Beijing. By the end of April 1991, Beijing had approved 462 Hong Kong-invested projects in which Hong Kong investors had promised to put in \$958 million.

Japan is the second largest investor in Beijing, followed by the United States, the European Community, Taiwan and South Korea.

Zhang said Beijing would continue to rely on Japan, Western Europe and the United States to invest in high-tech industries while establishing smaller ventures with investment from Taiwan.

He said the city will concentrate on using foreign investment to develop high-tech electronics, automobiles, food processing industries and new building materials.

Projects which lead to excessive levels of pollution or consume large amounts of energy and raw materials will be controlled, Zhang said.

He said Beijing stands a good chance of attracting more foreign capital as overseas investors are turning away from the unstable Eastern European and Middle East regions to Asia.

"Investors are coming back to the Chinese mainland," Zhang said.

He said that labour costs in the southern coastal areas of the Chinese mainland have been rising during the last 10 years, which is leading investors to the northern and inland areas.

Wang Qun at Inner Mongolia Workers' Congress

SK1105034691 Hohhot Inner Mongolia People's
Radio Network in Mandarin 1000 GMT 10 May 91

[Text] The second congress of the Federation of the Inner Mongolia Autonomous Regional Philosophic and Social Science Associations opened in the city of Hohhot on the morning of 10 May.

Attending the congress to extend their congratulations on the occasion were the leading personnel of the autonomous regional level organs including Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, Geriletu, Yang Enbo, Liu Yunshan, Chen Kuiyuan, Wuyunqimuge, (Bai Enpei), Sha Tuo, and Wu Ligeng. Wang Duo who had long worked in the autonomous region also attended the congress.

The major items on the congress' agenda are to hear the speeches given by the autonomous regional party committee and people's government, to discuss the work reports given by the autonomous regional philosophic and social science associations, to revise and approve the new regulations of the federation of philosophic and social science associations, and to consult and elect the second committee of the federation.

During the congress on the morning of 10 May, Wuyunqimuge, member of the autonomous regional party standing committee and director of the propaganda department, delivered a speech on behalf of the autonomous regional party committee in which he first expressed warm congratulations on the opening of the congress, and through the delegates extended lofty respect and cordial regard to the workers of social science across the region. He stated in his speech that over the past 40 years, since the PRC's founding, our region had scored great achievements in theoretical propaganda, education, and study, including the training of theoretical personnel and the building of theoretical personnel's contingent. Particularly since the Third Plenary Session of the 11th CPC Central Committee, the region's theoretical front has earnestly implemented the party's basic line, along with the shift of the party's work emphasis; exerted efforts; and worked hard in the region's programs of building socialist modernizations,

conducting reform, opening up to the outside world, fostering grand unity among various nationalities across the region, and building the socialist spiritual civilization. The front has made marked contributions and its achievements should be fully acknowledged. Wuyunqimuge, in his speech, urged party committees at all levels to fully discern the position and role of the federation of philosophic and social science associations from a new viewpoint; to build the federation into a strong front of studying, upholding, and developing Marxist theories; to deeply study and handle the new situation and matters cropping up in the programs of building modernizations, conducting reform, and opening up to the outside world on the premise of upholding the basic principles of Marxism; to use Marxism to face the new challenge imposed on socialism by applying the practical experiences gained by both domestic and foreign units in their struggles; to continuously push Marxism forward; to further and consciously understand and implement the ideology of taking economic construction as a center; and to closely follow the important and great measures and steps of deepening the reform drive and broadening the view of opening up to the outside world in order to engage in research and propaganda in the field of integrating theories with practice so as to make still greater contributions to the party's theoretical undertakings by proceeding from the region's actual situation.

During the congress, Wu En, secretary of the leading party group under the autonomous regional federation of philosophic and social science associations, delivered a work report entitled "Vigorously Create a New Situation in the Federation and Actively Render Services for the Program of Building the Two Civilizations."

Also attending the congress to extend their congratulations were responsible persons from the autonomous regional departments concerned and the representatives of various mass organizations.

Inner Mongolia's Development Programs Reported

Infrastructural Development

SK1705041391 Hohhot Inner Mongolia People's
Radio Network in Mandarin 1000 GMT 16 May 91

[Text] During the Eighth Five-Year Plan, the region is going to strengthen the construction of infrastructural facilities. In order to achieve this, we should fully mobilize all sectors of the economy, fully arouse the enthusiasm of the people on all fronts, and collect funds from all fronts to accelerate the construction of railway lines, roads, civil air services, shipping services on Huang He, postal and telecommunications facilities, and urban infrastructural facilities; and strive to improve the investment environment. We should positively strive to gain the support of the state to accelerate the construction and reconstruction of the existing railway lines and the railway lines of large coal mines.

During the Eighth Five-Year Plan, the region is going to build 1,157-km of railway lines, and lay 475-km of double-track railway lines. By 1995, the region's railway traffic mileage will reach 6,613 km; the volume of goods transported by railway, 86.3 million tons; and the volume of passengers transported by railway, 25 million persons. Simultaneously, the region is going to speed up the construction of key highways, the linking up of divided roads, and the construction of roads to ports. As of 1995, the region's road traffic mileage will reach 46,000 km; and the volume of goods transported by roads, 100 million tons. The region will continue to reconstruct and expand key airports, strive to increase air routes and scheduled flights, and expand the passenger and goods transportation volumes. In the Eighth Five-Year Plan, the region will increase air routes by 6,473 km. As of 1995, the volume of passengers transported by civil aviation will reach 130,000 persons.

We should focus the construction of postal and telecommunications projects on accelerating the pace of adding telephone sets in urban areas, long-distance communications facilities, and postal centers so as to strengthen the overall communications capacity. As of 1995, the region will have 662,000 switchboards and 3,100 long-distance telephone lines, and the postal and telecommunications business volume will reach 176 million yuan. We should build, in a step-by-step manner, long-distance communications networks with optical cable, numerical microwave, and satellite ground stations as the key transmission means; and ensure in a step-by-step manner that leagues and cities be installed with international and national long-distance direct dialing systems and that banners and counties have national long-distance direct dialing systems installed. Meanwhile, we will further upgrade the automation of postal and telecommunications facilities.

We should make a unified plan for strengthening urban construction, and steadily promote the construction of houses and public facilities. It is also necessary to vigorously promote the development of the trades in service of the people's production and livelihood, including commerce, foreign trade, supply and marketing trade, catering and service trades, banking, insurance business, consultation service, information service, real estate trade, storage service, and civil administrative and public facilities. We should pay particular attention to accelerating the development of the backward and urgently-needed trades covered in tertiary industry. We should make a reasonable plan for building rural houses, economize on the use of land, and try every possible means not to occupy farmland. We should take town and township enterprises as a base to build a group of new towns, rationally arranged and with ease of access and with local characteristics.

Technological, Industrial Changes

SK1805025691 Hohhot Inner Mongolia People's Radio Network in Mandarin 1000 GMT 17 May 91

[Text] In the Eighth Five-Year Plan, the region's light and textile industries should readjust their product mix

according to market demands, readjust the enterprise organizational structure in line with the product mix, and readjust the production plans according to the industrial policies. The light and textile industrial fronts should positively adopt advanced technologies, import key equipment and key technologies, accelerate the technological transformation of enterprises, upgrade the quality of products, increase the varieties of products, reduce production cost, and upgrade their export and foreign exchange earning capability.

All localities should develop the production of small commodities according to their different actual conditions, and strive to upgrade the rate of being self-sufficient in small commodities. By 1995, the region should strive to turn out 14.5 million meters of woolen goods, 6,200 tons of knitting wool, 700,000 square meters of carpets, 14,000 tons of chemical fiber, 250,000 tons of sugar, 1.55 million tons of [words indistinct], 30,000 tons of dairy products, and 220,000 tons of [words indistinct].

Agricultural Development

SK1305040791 Hohhot Inner Mongolia People's Radio Network in Mandarin 1000 GMT 12 May 91

[Text] Stabilizing agricultural and animal husbandry production and increasing the income of peasants and herdsmen are the overall demands which our region should follow in agricultural and animal husbandry development during the Eighth Five-Year Plan. To stabilize production means that we should improve the agricultural and animal husbandry production conditions, strengthen our capacity to combat natural disasters, and raise the comprehensive production capacity and economic efficiency year after year. To increase income means that we should fully develop agricultural and animal husbandry production and all sorts of processing and service industries and enable peasants and herdsmen to increase their income year after year. By 1995, the average per-capita net income of peasants should reach 900 yuan or so and that of herdsmen, 1,300 yuan or so.

During the Eighth Five-Year Plan, the major points of agricultural and animal husbandry development are: Governments at all levels should increase agricultural and animal husbandry inputs, continue to encourage and guide peasants and herdsmen to increase labor accumulation and input of funds in the construction of key water conservancy projects, including the irrigation and drainage supporting project in Hetao irrigation area, the supporting project in Chaersen reservoir irrigation area, the supporting project in (Tumu) township irrigation area, and the water pumping irrigation project in (Yanjingtian), improve the basic conditions for agricultural and animal husbandry production, continue to persist in planting trees and grass, fully display the economic efficiency as well as the social and ecological benefits of

forestry and grass planting, control the areas of desertification, reduce the water and soil eroded areas, maintain the effective and continual utilization of land resources, advance mechanized farming and animal husbandry operations in line with local conditions, raise the level of material outfits, enhance the labor productivity of agriculture and animal husbandry and the output rate of land, strengthen the momentum for agricultural and animal husbandry development, actively develop diversified undertakings, strive to develop the courtyard economy, open up new production spheres, transfer or accept the surplus rural labor forces in a planned manner, continue to successfully grasp scientific and technological education in an effort to invigorate agriculture and animal husbandry, strengthen training for peasants and herdsmen, improve their cultural level, actively popularize the applicable agricultural and animal husbandry technologies, continue to carry out the spark plan, the bumper-harvest plan and the prairie program, raise the production level of agriculture and animal husbandry, and further strengthen the building of state-run agricultural and livestock farms. By 1995, the total industrial and agricultural output value of state-run agricultural and livestock farms across the region should reach 1 billion yuan, representing an annual average increase of 12.3 percent; the total grain output should reach 1 billion kg and the commodity rate should reach more than 65 percent. It is necessary to accelerate the developmental production in old revolutionary base areas, areas inhabited by minority nationalities, frontier areas and poor areas, continue to strengthen the work on supporting the poor areas, and on the basis of solving the food and clothing problems of the masses, help the people eliminate poverty and become rich.

Economic Reform Helps Inner Mongolian Herdsmen

OW1105112491 Beijing XINHUA in English
0734 GMT 11 May 91

[Text] Hohhot, May 11 (XINHUA)—A recent sample survey revealed that the economic reform has helped herdsmen in Inner Mongolia to increase their annual per capita expenditures by more than five-fold during the period from 1978-1990.

The survey, which was conducted in the rural and pastoral areas of this northern China autonomous region, shows that per capita spending of herdsmen in these areas amounted to 843 yuan last year.

At the same time, the survey revealed that the annual income of the herdsmen grew from 188 yuan to 906 yuan, a 3.86-fold increase.

In addition, the statistics show that ownership per hundred households has now reached 0.42 automobiles, 14.58 tractors, 40.83 motorcycles, 16.25 herbage harvesters and 12.92 water pumps. Most of these machines were purchased after 1979.

The annual consumption of vegetables climbed to 64 kilograms per capita, while the consumption of fruits and vegetable oil increased to 3.91 kg and 1.46 kg, representing 56 percent, 73 percent and 68 percent

increase, respectively. These figures indicate a more balanced diet, according to a summary of the survey. The local diet has traditionally consisted of meat, milk, tea, liquor and wheat flour.

Permanent houses are also replacing the traditional yurt. New houses erected from 1978 to 1990 average 33 square meters each household. Plus their original living quarters, each household now has a floor space of 77.85 square meters to live in.

The traditional materials used for clothing, such as of cotton and chemical fiber, have been partly replaced by wool, silk, satin and leather. The findings of the survey show that on average during the past five years every household has purchased 8.01 meters of woollen material, 56.7 meters of silk and satin, 3.88 kg of knitting wool, 1.15 pieces of woollen carpets, and 9.18 pairs of leather shoes or boots.

In addition, increasing numbers of household electrical appliances and electronic equipment can be found in the homes of herdsmen. The survey revealed that on average per hundred households now own 51.25 television sets, 9.17 washing machines, 61.25 cassette-recorders, 3.75 cameras and 0.83 refrigerators. At present, every two households has one windmill generator, according to the survey.

Inner Mongolian Students Work at Grass Roots

SK2005021391 Hohhot Inner Mongolia People's
Radio Network in Mandarin 1000 GMT 19 May 91

[Text] Some college students of liberal arts who had gone to the grass-roots levels to undergo training said with a profound understanding that taking the road of integrating theory with practice is a requirement of the present-day college students in their self-development.

On 15 March this year, 221 students of liberal arts from Neimenggu University, Neimenggu Teachers University, and Neimenggu Teachers College for Minority Nationalities joined the grass-roots work group of the autonomous region to go to the rural and pastoral areas of 10 banners and counties. They ate, lived, and worked with peasants and herdsmen, participated in the various activities of the work group, and conducted multi-form investigations in a planned manner in line with their own specialties. They tempered themselves through this, and created good repercussions.

On the afternoon of 17 May, some students who had come back from the grass roots held a forum. They said: Training ourselves at the grass-roots levels enabled us to see and hear the tremendous changes taken place in rural and pastoral areas since reform and opening up started, thus enhancing our understanding of the party's basic line and relevant policies. The personal experiences in the rural and pastoral life brought us back from imagination to reality. To stand on the vast land of China to learn about the situations of the country and the region enabled us to acquire plenty of new and true understandings. We have deepened our understanding of why China must persist on the socialist road, and uphold the leadership of the communist party.

Through practice, the students felt that they grew up and became more mature.

Li Teng-hui Discusses Democratization

HK1905045891 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 19 May 91 p 9

[Article on the "Agenda" page by Taiwan President Li Teng-hui: "Taiwan 'Committed To Tread the Democratic Path to Unity'"—date not given]

[Text] Taiwan is going through a rapid political transformation that will be no less dramatic in its consequences than the current transformation of Europe. Though this process may seem perplexing to some abroad, my countrymen and I know exactly what we are doing and where we are going.

Democratisation characterises our present endeavour; reunification with the mainland is most certainly our future aim. These two goals are not unrelated.

On May 1, the Period of National Mobilisation for the Suppression of Communist Rebellion was officially terminated, allowing us to deal with mainland affairs on a more pragmatic basis.

The Temporary Provisions Effective During the Period of Communist Rebellion, originally passed in 1948, were also abolished, thus paving the way for further democratisation.

As a result of constitutional changes first proposed at a meeting last July of the National Affairs Conference—a round table of all political forces—voters will be able to elect a new National Assembly by the end of the year and a new Legislative Yuan (Congress) by 1993.

We have also adopted guidelines for national unification which affirm our determination to reunite China.

The "mobilisation period" began in the late 1940's in response to military threats from the Chinese communists that endangered the survival of the republic. For more than four decades, emergency measures instituted during the mobilisation period have contributed significantly to our stability and security.

We are increasingly convinced that we must not seek the reunification of our country through a military solution. We believe that freedom, democracy and prosperity have become our most valuable and powerful assets.

The constitution of the Republic of China was democratically adopted in Nanking when our government was still located on the mainland. Therefore, we feel it is our duty to preserve the constitution's integrity and extend it to the entire Chinese people when our country is reunified.

We take this position not with any self-interested considerations, but based on our unyielding commitment to constitutionalism.

The central parliamentary bodies defined in our constitution were designed, understandably, for the whole of China, and it is not feasible for us to hold comprehensive parliamentary elections in the Taiwan area based on the original scale and composition envisioned in that constitution.

Therefore, we must first make some necessary adjustments through the amendments from the first stage of reform to enable the voters of my country to elect, for instance, the Second National Assembly—which will work on constitutional reform with the support of the most recent popular sentiment.

The second stage of our constitutional reform is crucial and complicated. Many of the vital constitutional issues—such as organization of central and local governments, the election process for the presidency, organization of the government and the legislature—must all be thoroughly examined to see if further revisions are required.

It is my belief the foundations for further national development and eventual unification can be laid only by firmly institutionalising democratisation and broadening political participation.

In October 1990, five months after my inauguration, guidelines for national unification were adopted to express our hope that, from this point on, both sides of the Taiwan Strait will uphold the principles of peace, reason, parity and reciprocity, and that both will work to create an environment conducive to congenial interaction.

In such an environment, we can all strive for reconstruction of a reunified China characterised by freedom, democracy and equitable distribution of wealth.

But we cannot do it alone. Despite all the pragmatic initiatives we have recently made, the mainland authorities have yet to respond with any sincere and concrete measures. They have not even echoed our call to give up the use of force to achieve unification.

I am naturally not expecting any magic or instant solution. In fact, it is prudent and responsible for us to advocate a gradual reduction of hostility between Taiwan and the Chinese mainland, leading to a step-by-step building of mutual understanding, trust and goodwill.

I would like to see China reunified at the earliest possible opportunity, but I will not give up my insistence on guaranteeing the welfare of the entire Chinese people, nor will I sacrifice the security of the people in the Taiwan area.

I must reiterate that reunification cannot be separated from our commitment to democracy and from our concern for the welfare of the people on both sides of the Taiwan Strait.

This is clearly stated in the guidelines for national unification, which says: "The unification of China should be for the welfare of all its people and not be subject to partisan conflict."

It is imperative mainland authorities appreciate that what divides the mainland and Taiwan is not the Taiwan Strait. It is the gap between what we can each offer to our people with our two opposing sets of economic and political institutions.

As we now open this new and historic page, my government is ready to share with the people and authorities of the mainland the lessons of our four decades of the "Taiwan experience".

It is exactly for this reason that we are currently embarking on further economic progress with the national development six-year plan and further democratisation with constitutional reform.

We are building a prosperous democracy—not just for the Taiwan area itself, but for the whole of China. We are building a democracy for unification.

President Urges Closer Ties With South Korea

SK0105054691 Seoul YONHAP in English
0513 GMT 1 May 91

[Text] Taipei, May 1 (YONHAP)—The president of Taiwan, Li Teng-hui, warned Tuesday that lack of close cooperation between Seoul and Taipei might cause serious problems in international relations in northeast Asia.

In a news conference after declaring the end to 43 years of emergency rule, Li said the two countries should maintain close relations no matter what internal or external changes occurred.

Calling the much-talked-about normalization of ties between Seoul and Beijing "a hypothesis," the president said he was not aware of China's thinking about diplomatic ties with South Korea or North Korea's response to it.

"South Korea has achieved considerable development in its diplomacy, setting up diplomatic relations with many countries, including the Soviet Union. South Korea will judge if these developments will make North Korea take a friendly attitude toward the South. We have our own judgment about our mainland," Li said.

He said he was optimistic about future relations between Seoul and Taipei, adding that bilateral economic ties had taken good turns recently owing to diplomatic and other factors.

The Nationalist Government set up formal ties with South Korea in 1948, shortly before it was defeated by Mao Zedong's communists and fled to Taiwan in 1949.

Korea was divided into the capitalist South and communist North at the end of World War II in 1945. South Korea and China exchanged trade offices earlier this year but have yet to establish formal ties.

President, Premier Receive Japanese Delegations

OW1505092191 Taipei CNA in English 0737 GMT
15 May 91

[Text] Taipei, May 15 (CNA)—President Li Teng-hui received a Japanese delegation Tuesday afternoon.

The delegation, part of a large trade mission that arrived here Sunday, is led by Shoichi Akazawa, former president of the Japan External Trade Recovery Organization. It is the largest Japanese group to visit the Republic of China in eight years.

Premier Hao Po-tsun in a separate meeting with another group stressed that trade problems between Taipei and Tokyo have to be solved through mutual trust and good faith so that relations between the two countries can develop on a healthier course.

Hao made his remarks when meeting a six-member parliamentary group led by Sato Shinji. Both sides exchanged views on matters of mutual concern.

Hao also explained the ongoing Six-Year National Development Plan to the group. The Japanese group expressed Japan's interest in taking part in the plan and made suggestions as how to finance various projects.

Premier Discusses Mongolian Sovereignty Issue

OW1705032991 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
14 May 91

[Text] Premier Hao Po-tsun pointed out yesterday: The three focal points of the Executive Yuan's work for the latter part of this year are to explain laws and decrees, implement the legal system, and carry out the six-year plan for national construction.

The Personnel Administration of the Executive Yuan will soon call a meeting of responsible persons of relevant departments to discuss questions in these regards. Premier Hao will attend the meeting.

On how to posture [ting wei 1353 0143] our government's relations with Outer Mongolia [the Mongolian People's Republic], Premier Hao explicitly indicated that he did not advocate the view of recognizing Outer Mongolia as an independent sovereign state [tu li chu chuan kuo chia 3747 4539 0031 2938 0948 1367]. He pointed out: Our contacts with Outer Mongolia should be based on two-way, people-to-people exchanges. According to the regulations governing the relations between the two sides of the Taiwan Strait, the mainland area still encompasses Outer Mongolia. If Outer Mongolians come to visit Taiwan, however, we may have to formulate some other regulations for them in order to differentiate them from personages visiting from the mainland itself.

In addition, Premier Hao also said: The construction of the Taipei-Ilan Expressway will be started before June of this year, and the budget for 1994 will also be determined by then.

Reports Examine Repatriation of Mainland Visitors**Interior Ministry Order**

OW1705132591 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT 14
May 91

[Text] An administrative order formulated by the Ministry of Interior—Main Points Concerning the Repatriation of People Who Illegally Entered the Territory From the Mainland—has been adopted by the Mainland Affairs Council of the Executive Yuan and approved for enforcement, stressed (Liu Peng-chun), deputy director of the Entry and Exit Permit Service Bureau of the National Police Administration under the Ministry of the Interior, on 14 May.

From now on, the Ministry of the Interior, which is the competent authority for such repatriation, and the Ministry of National Defense, which is delegated to conduct such repatriation, will comply with this administrative order in handling the cases of illegal entries and in carrying out the work of escort, detention, and repatriation of mainland people in coordination with judicial organs, garrison sub-district commands, and police departments.

According to this administrative order, the Ministry of the Interior together with the Ministry of National Defense will give case-by-case treatment to those women compatriots from the mainland who have been pregnant for five months or more, who have not passed two months after giving birth to babies or after a miscarriage, and who have been pregnant for less than five months and are unsuited for travel by plane or ship as certified by public medical facilities, as well as those mainlanders who are seriously sick, injured, or disabled and are unsuited for travel by plane as certified by public medical facilities. They will not be repatriated right away.

Agreement With Red Cross

OW1805103991 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
15 May 91

[Text] The Red Cross Society of the Republic of China [ROC] and the Mainland Red Cross Society have reached agreement for the immediate expatriation of more than 900 illegal immigrants currently stranded at Jinglu, beginning 19 May.

Originally, there were more than 1,000 mainland illegal immigrants at Jinglu, of which 204 were expatriated by the Red Cross societies across the strait during the Strait Exchange Foundation delegation's visit to the mainland. The ROC Red Cross Society Deputy Secretary General (Chang Shun-mao) and the Mainland Red Cross Society Deputy Secretary General Qu Zhe reached an agreement recently to expatriate the remaining 900 people, beginning this coming Sunday.

Students Protest Justice Ministry Actions**Railway Station Occupied**

OW1705141791 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
15 May 91

[Text] Thanks to mediation, restraint, and concession of the police and the station, some 400-500 college students slept in the Taipei Railway Station building last night. Except for a few slight clashes among people, both sides restrained themselves with a moderate amount of reasoning in the process. Whether the station will permit the students to continue occupying the hall today or not depends on further mediation.

At 0200 yesterday afternoon, students from institutes of higher learning in Taiwan and supporters mobilized by the Democratic Progressive Party [DPP] gathered at the Taipei Railway Station to protest the procuratorial and investigation units' handling the Independent Taiwan Association [ITA] case. Some 600-700 people occupied the Taipei Railway Station hall on the south side and started to stage a sit-in, make speeches, and shout slogans. Travellers entering and exiting the Taipei Railway Station, and the sale of train tickets were affected when more people gathered around. As a result, some small clashes occurred. The police and the station took a very moderate stance and did not interfere in the clashes, however.

After 1000 yesterday evening, the students started to sleep on the ground in their sleeping bags, which they carried along with them, and started a long-term confrontation. This, however, is against the railway station's regulations that nobody should occupy the station after 1230 a.m. when it should be routinely closed.

The two sides mediated. At 1030 p.m., the station conceded and allowed the students to sleep there, but had hoped they would move to the hall on the north side. In the meantime, the station asked the surrounding crowds to leave. The students insisted they stay put, however, while the masses did not want to leave. The atmosphere grew tense.

At 0000 early this morning, the station conceded again by allowing the students to sleep on the spot but, through broadcast, called on the students to leave the Taipei Railway Station by all means before 0100. At 0030, the student pickets gathered around inside while the police kept guard outside to thoroughly keep students away from the masses. In addition, railway policemen and security police persuaded the masses in the station building to leave, while outside the station the Cheng-chung Police Station and the traffic brigade clamped down on illegal peddlers and towed away vehicles illegally parked.

At 0100 in the morning, the station closed the gate, while 400-500 students slept there. The entire process was peaceful.

At 0140, Huang Hsin-chieh, chairman of the DPP, and many others went to see the sit-in students. He intended to make a speech to the students, but they refused to hear it. Huang Hsin-chieh and his party could do nothing but stay in the VIP room of the railway station. They held a meeting to discuss what to do until they left at 0304.

At 0330, the Taipei Railway station opened the gate again for the start of the early morning train. The railway police station said: At present, the train will operate as usual. Nothing has been affected.

Premier Shows Concern

OW1705144891 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
13 May 91

[Text] Premier Hao Po-tsun showed great concern over the protest rally held by professors and students against the Ministry of Justice Investigation Bureau's (MJIB) investigation of the Taiwan Independence Association [TIA] and the dispersion of students and professors from the Chung-Cheng [Chiang Kai-shek] Memorial Hall on 12 May. He immediately summoned Education Minister Mao Kao-wen and Chuang Han-tai, director general of the National Police Administration, to explain the details of the events as soon as he returned from his inspection tour to Matsui yesterday evening. He instructed them to handle the disturbances cautiously and to explain the conditions to the public as soon as possible, in order to avoid misunderstanding and deterioration of the situation. Hao Po-tsun pointed out: Since the case is still under investigation, various circles should not put too much pressure on the judiciary. He hoped that students and professors would go back to their schools.

The MJIB is going to hold a news briefing at 0910 this morning to make a statement on the process of its investigation of the TIA and the arrests of four TIA members. Justice Minister Lu Yu-wen will chair the news conference. Political Vice Minister of Justice Lin Shy-Hwu and the MJIB Director General (Wu Tung-ming) will attend the news conference. The National Police Administration is holding a news briefing at 0900 on 14 May also, at which (Chang Chi), director of the Chengchong Police Sub-Bureau and commander on the scene of the event, will discuss how the police handled the protest rally outside the Chung-Cheng Memorial Hall, disturbances that were aroused while dispersing the crowd, and on some professors' accusations of the police beating up people.

As soon as he returned from his inspection tour to Matsui yesterday evening, Premier Hao Po-tsun immediately summoned Mao Kao-wen and Chuang Han-tai to explain the details of the protest rally held by students and professors against the TIA case in the past two days. After he was informed, Hao gave instructions to the

Ministry of Education and the National Police Administration, respectively, asking them to handle the affair carefully and explain the situation to the public as soon as possible.

Hao Po-tsun indicated: The sanctity and authority of the law must be established. As the case is still under investigation, the public should not put too much pressure on the judiciary, so that the judiciary will remain independent.

Justice Minister Lu Yu-wen and the MJIB Director General (Wu Tung-ming) will hold a news briefing at the MJIB this morning and make a statement on the TIA case. The National Police Administration will also hold a news briefing to expound on its stand on handling the activities against the Law on Rally and Demonstration evoked by its investigation of the TIA case. At today's joint news briefing, held by Minister Lu and the MJIB director general, Director General (Wu Tung-ming) will reply to the letter written by Liu Chao-shiuan, president of the National Tsing Hua University, to Minister Lu, asking for an explanation of the detention and investigation of the school's student (Liao Wei-cheng) by an inspector in the dormitory. The MJIB Deputy Director (Kao Ming-hui's) request of resignation due to the TIA case will also be a topic for lively discussions.

The topic of the news briefing held by the National Police Administration may be focused on the police's handling procedures in dispersing students and professors, who slipped into the plaza of the Chung-Cheng Memorial Hall in separated groups to stage a protest in support of the four suspects who were also TIA members. In addition to stating its stand on handling the affair in accordance with the laws, the National Police Administration may also present a stern statement on dealing with any violations of the Law on Rally and Demonstration in the name of supporting others.

Peaceful End Urged

OW1705144991 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
16 May 91

[Excerpts] To express support for Liao Wei-cheng and others involved in the case of the Taiwan Independence Association, some students continued to stay at the Taipei Railway Station on the night of 16 May. The number of protesting students at the Taipei Railway Station on 16 May at one time went down to some 100, but gradually increased to 500 at night. They still used the method of making speeches and singing songs to draw the attention of railway passengers.

At 2130 Chang Chun-hung, secretary general of the Democratic Progressive Party, Hsu Hsin-liang, advisor to the party, and Reverend (Kao Chun-min) came to the spot to see the students. Yet they were unable to get the students' consent for them to deliver speeches.

At 0050 on the morning of 17 May, police dispersed the irrelevant people in the railway station hall. The process of

dispersion was peaceful. At 0100 only some 200 students remained in the railway station hall, and they were sleeping on the floor. The railway station reopened at 0330, and trains operated quite normally. [passage omitted]

With regard to the demonstration and strike by some professors and students triggered by the case of the Taiwan Independence Association, Hao Po-tsun, premier of the Executive Yuan, said on 16 May that the government is fully aware of the concern of students and intellectuals about constitutional democracy and the numerous reform suggestions they had offered. He instructed all departments concerned to conduct rational exchange of opinions with students and professors as much as possible within their authorities and function. He hoped that a common understanding would be reached on a peaceful and reasonable basis, and joint efforts made for the interests and prospects of our country. [passage omitted]

(Lin Hung-cheng), director of the Hsinchu Station of the Bureau of Investigation, openly apologized to professors and students of Chiao Tung University on 16 May. He said that the act of investigator (Dai Pang-sun) had seriously violated the rules of the Bureau of Investigation, and that he would deal with this matter impartially. Meanwhile, members of the Taiwan Research Society of Chiao Tung University demanded that materials relative to the professors and students collected by the Hsinchu Investigation Station be made public and destroyed.

Secessionist Movement Opposed

OW1805142391 Taipei CNA in English 0913 GMT
18 May 91

[Text] Taipei, May 18 (CNA)—Premier Hao Po-tsun, while attaching importance to academic freedom, emphasized that the government will continue to stand firm in opposing the secessionist movement.

Hao hopes students will draw a clear line against Taiwan independence attempts to influence their pursuit of knowledge.

The premier expressed the desire while meeting with 41 professors and university presidents yesterday at the Executive Yuan for an exchange of views on the ongoing student movement.

The meeting came after some students launched strikes and sit-ins to protest the arrest of a Tsing Hua University graduate student last week on charges of sedition. The student, together with three other suspects, was released on bail yesterday.

Security agents said the student, Liao Wei-cheng, had been engaged in Taiwan independence activities which are strictly forbidden by the law, but the protesting students claimed the arrest violated academic freedom.

The career-servicemen-turned politician told the educators and scholars that the government will proceed with its constitutional reforms as scheduled.

"The reforms, however, must be implemented under a guarantee of national security and political stability," Hao said.

The premier therefore said he is worried about the current student movement as it has caused social unrest.

Growing secessionist attempts are likely to stir up tensions over the Taiwan Strait and grant the Chinese communists an excuse to try to take Taiwan by force, Hao said.

As to the graduate student, Hao said that since the incident is being handled by judicial authorities, the general people should patiently await the outcome. But he did promise to review technical problems concerning the arrest.

The premier also guaranteed he would investigate charges that several professors involved in a sit-in at the Chiang Kai-shek Memorial Plaza Sunday had been kicked and hit by police.

Ministries Meet

OW1705091491 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT
15 May 91

[Text] After coordinating with security units and police, the Ministry of Education has reached this agreement: In line with a directive of the Justice Ministry, the Investigation Bureau will improve measures on the question of security personnel entering campuses. The Investigation Bureau will not only urge its personnel to seriously carry out the task but also incorporate the improved measures into the investigators' work handbook and the teaching materials for training new investigators. On the question of policemen's enforcing the law, the National Police Administration has dispatched personnel to conduct investigations impartially. If a policeman is found really to have committed errors while carrying out his duties on 12 May, the administration will never condone such wrongdoings and will certainly handle the case sternly in accordance with the law. The Ministry of Education also hopes the students will return to school so that their studies are not affected.

Education Minister Comments

OW1905200791 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT
18 May 91

[Text] Education Minister Mao Kao-wen stated solemnly last night that he would seriously follow up the incident in which personnel from the Bureau of Investigation sneaked into the Communications University. He added he would also see to it that the investigation station director would keep his promises to the university.

The minister said he would make sure that the Bureau of Investigation would not do the same thing again and that, in

the future, investigators would inform school authorities prior to conducting any investigations on campus.

Mao Kao-wen also indicated that the Measures for Handling Emergencies in Schools would be enforced in handling student movements, strikes, and other incidents and that he would consult with Taipei Mayor Huang Ta-chou in designating areas at the Sun Yat-sen Memorial Hall and the New Park where students might voice their views freely.

Students Meet Press

OW1905200891 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 18 May 91

[Text] Students staging a sit-in protest in front of the Taipei Railway Station yesterday sent representatives to

the Ministry of Education, the Executive Yuan, and the Taiwan Television Station to submit their petitions and protests.

Because they failed to meet with the specified officials, protesters at the Ministry of Education burned their written protest, and protesters at the television station threw eggs and sprayed paint.

This is an example the relatively vigorous conduct of protesters over the past four days.

Student representatives said at a news conference yesterday that their conduct was absolutely unemotional. They said they were dissatisfied with the casual and perfunctory way the relevant authorities treated their petitions and so, at a meeting the night before, they planned actions to be taken. They added that they did not attack anybody during the process of burning written protests, throwing eggs, or spraying paint.

**END OF
FICHE
DATE FILMED**

21 May 1991

